THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

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Well, They Saved The Fair Lady But —

British Policy Discussed in Parliament

Why Japan Cannot Join Britain in China

By S. Washio

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By C. Walter Young

Significance of the Kuomintang Crisis

By Samuel H. Chang

密勒氏評論報

SATURDAY, APRIL 16, 1927

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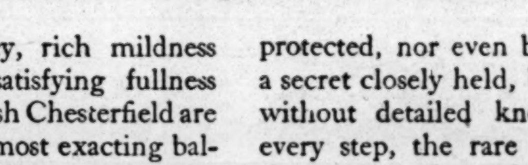

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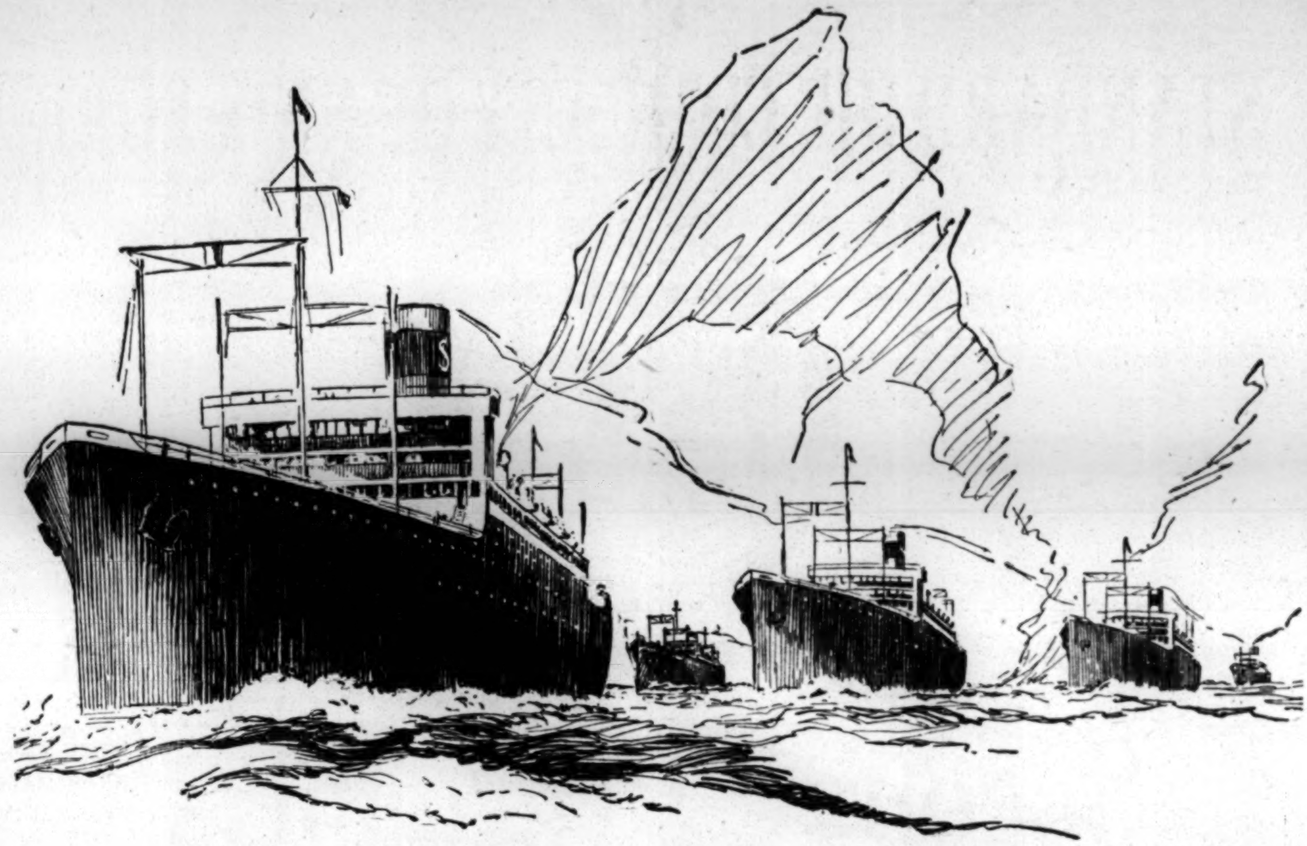

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REVIEW

Formerly Millard's Review

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WELL, THEY HAVE SAVED THE FAIR LADY, BUT——

THANKS TO THE large army which the English have sent to China, the fair city of Shanghai has been saved from looting and pillaging by the forces of disorder, but we are beginning to fear that the story of Shanghai's rescue may have a bad ending like the old 'mellerdrammer' wherein the fair lady was saved from the dreadful calamity which had befallen her, but the rescuing process was so strenuous that the heroine wasn't able to survive the shock, and died shortly afterwards. We say this feelingly, because a good friend of ours a few days ago disposed of his small nest-egg of Municipal Debentures at 77. He bought them less than a year ago through the Municipal Investment Bank for 100. Thus do we have a practical demonstration of the falling confidence in the future of Shanghai. There are also other indications of the drift: the Municipal Police report one day last week contained an item stating that more than 20,000 Chinese residents of Shanghai, chiefly of the artisan classes, had departed from the city for that indefinite place called 'up-country.' And in addition to the exodus of artisans there has also been an exodus of the wealthier classes of Chinese as an inspection of the passenger lists on the river and coastal steamers will show. There is no questioning the fact that the Chinese are beginning to leave Shanghai, that is, out of the foreign settlements, and we hear rumors of discussions among Chinese bankers and commercial leaders pertaining to plans for transferring Shanghai's business elsewhere. The thing is indefinite yet, but there is no questioning the fact that such things are being discussed, the most likely places of transference being Nanking, Ningpo, Woosung, and so on. Then in addition to the Chinese side of it, which, after all is the important side, there are also other indications of the trend of events. This has to do with the exodus of foreign traders. We know a considerable number of foreign merchants who are sorely harassed regarding the future. We heard a director of one of Shanghai's largest industries make the statement in all seriousness the other day that within twelve months the foreign courts in Shanghai would be congested with bankruptcy and liquidation proceedings. In the cases of smaller firms, chiefly 'one-man' enterprises, that is, men holding a few agencies for American and British manufacturers, the liquidation process has been more rapid: already they are quietly folding up their tents and getting out of town, the reason being that business is dead. We know of one large house heretofore considered practically impregnable, which is in a 'touch-and-go' position.

THEREFORE we believe we are approximately correct when we state that while the English troops have saved Shanghai from pillage, that on the other hand, the methods used in saving the city have been so strenuous that the city probably will not be worth having after being saved, the reason being obvious. It's a good deal like a man working and slaving and depriving himself in order to educate his son and then after the educative process is finished to have the son die or turn out to be a rotter. The life and blood of Shanghai is commerce. It's the normal transhipment point for most of the merchandise from abroad that comes into China and for most of China's products which go to other lands. It would be an exceedingly difficult thing to transfer this commerce elsewhere, but it can be done. The Chinese did exactly this in respect to Hongkong. A few years ago Hongkong and the foreign concessions at Shameen were considered the safest places in Asia. Foreigners and Chinese alike looked upon Hongkong particularly as the ultimate of security for investments. People put their 'nest-eggs' into Hongkong real estate or securities, but they don't do it anymore, the reason being that Hongkong is no longer secure. The Chinese have demonstrated that they can kill the commercial prosperity of the place any time they wish. Obviously, it would be harder to kill Shanghai, but it's not impossible by any means, for all the Chinese have to do is to quit trading with the foreigners, and then it wouldn't take very long for the place to become a commercial graveyard.

THERE IS ONE very good historical precedent for this. When extraterritoriality was abolished in Japan, the foreigners who resided in Yokohama fought against it just as strenuously as the little group of 'die-hards' are fighting against making any changes in the status of Shanghai today. But extraterritoriality was abolished in Japan, despite the efforts of the Yokohama 'die-hards' and everybody had to come under Japanese control. But the Yokohama reactionaries still had another string to their bow: they refused to pay taxes to the Japanese Government on their perpetual land leases at Yokohama and they carried the case to the Hague and won the case and still to this day they do not pay taxes to the Japanese Government. But the Japanese got even in another way by transferring their industrial development from Yokohama to Osaka, a purely Japanese controlled city. Yokohama was the logical place for the industrial development, but obviously the Japanese had no desire to assist in making fortunes for the obstinate foreign owners of perpetual land-leases at Yokohama. The foreigners won out on one point but lost out on the essentials, and the same thing may happen here. If the foreigners in Shanghai continue their present policy of refusing to cooperate with the Chinese on a basis which the Chinese consider to be just and equitable, then obviously the Chinese will adopt another plan. They will permit the foreigners to hold Shanghai, but the foreigners in time probably will discover that the Shanghai which they are holding by force of arms has turned out to be an empty shell and not worth holding. Also, in this connection we feel that the use of the word, "foreigners" is misleading for all foreigners are not in agreement with the small clique which is dominating the situation. The actual governmental administration of Shanghai, due to the lack of interest in public affairs on the part of the foreign voters generally, has degenerated until Shanghai is actually controlled by a small group of wilful men who know exactly what they want and apparently are in a position to get what they want regardless of the needs and best interests of the foreign population generally.

HAVING SAID all the above, however, it is to be noted that the one requisite for success for any plans which the Shanghai Chinese commercial community may have for transferring the trade out of a foreign-controlled Shanghai to some other point is that there shall be as much security for their operations in the spot which is chosen as they have had, or would likely have in the near future, in Shanghai. This connotes a somewhat more stabilized government than has so far been in evidence in many parts of the country, In order that a firm foundation for commercial and manufacturing operations may be laid it is necessary that the promoters should be assured of a just taxation policy and not be subjected to irregular levies on one pretext or another. But in the temper in which the Chinese people, rich and poor, are at the present time, they seem to be willing to take considerable financial risk in order to show their resentment at the many things that the Western world has done, not only in times past, but right now, which have very much wounded their pride.

WHETHER OR not the Chinese community *en masse* will at the present time make a determined effort to locate elsewhere, the point to be kept in mind is that the Chinese people as a whole are determined that all special foreign privileges shall be abolished and that they will go to great lengths, not even sparing themselves financially, in order to gain their ends. The argument that, as China's house is in disorder, foreigners should be entitled to special privileges, or even to take a hand in the squabble, is resented just as much as in the proverbial example of a neighbor interfering in a quarrel between man and wife. Man and wife will stop their quarreling in most instances long enough to join forces to oust the meddlesome neighbor. That job having been accomplished they are once more at liberty to continue their dispute. In the minds of many of the old Shanghai residents there lurk ideas that eventually the foreign forces will invade the Chinese area, and by force of arms consolidate this whole neighborhood of "Shanghais" into a Greater Shanghai. Further some even dream of the foreign forces taking possession of the railways, for one reason because most of them are in default in their payments to foreign suppliers of material or bondholders.

THERE is very little likelihood of anything of the sort taking place. But even though it should the ultimate end in view would not be gained. To attempt to enlarge Shanghai's boundaries by force would be the very thing that would crystalize the sentiment of the Chinese commercial community to build up a rival purely Chinese business center elsewhere. Undoubtedly it is true that Shanghai's commercial future would be best served by consolidating this whole neighborhood into one corporate body, and it might be possible if the matter were negotiated smoothly that the Chinese would be willing for a start that the majority of the executive body should lean towards the foreign side, this only, however, provided there were a distinct understanding, with a definite date set, just as was the case in the transfer of the Mixed Court, that the control should gradually and fairly rapidly gravitate into Chinese hands. Such a move would probably save Shanghai from going to ruin commercially. But the surest way to destroy Shanghai as a business community is to continue the present policy of trampling on Chinese sentiment.

CHANG'S RAID ON THE SOVIET EMBASSY!

IF MARSHAL Chang Tso-ling wants to raid the Embassy of the U. S. S. R. in Peking, that's purely his business, but when the American Minister in Peking, Mr. John Van A. MacMurray, as a member of the so-called Diplomatic Corps in Peking grants Chang Tso-ling permission to enter the Diplomatic quarter and loot the Soviet Embassy, then it becomes an international incident of far-reaching character. The same thing applies here at Shanghai. If the Municipal Council, an irresponsible body from the standpoint of the Powers, wants to surround and blockade the Soviet Consulate-General in Shanghai, it's their business, but should the American Consul-General, Mr. Clarence E. Gauss, as a member of the Shanghai Consular Body, agree to this action on the part of the Consular Body, then it likewise would become an international incident of far reaching consequence. Exact details regarding the Peking and Shanghai incidents are still lacking, but on the face of things, the Shanghai Consular Body seems to have a somewhat better record than has the Diplomatic Body in Peking, for the Shanghai Consuls have, in effect at least, protested the action of the Shanghai Muncipal Council in throwing a cordon of police and volunteers around the Soviet consulate here. There seems to be quite definite evidence that the Shanghai Municipal Council took the action in picketing the Soviet Consulate without reference to the Consular Body, for at least three consuls, the British, the American, and the Norwegian have stated quite definitely that they knew nothing about the Municipal Council's action until after it had been taken. Furthermore, they met immediately afterwards and sent an official inquiry to the Municipal Council asking about the action.

IN VIEW of the possibly serious consequences which are likely to develop from these two incidents, it is of value to review the details: The raid on the Soviet Embassy in Peking was conducted by Chang Tso-ling's troops on the morning of April 6 and both *Reuters*, the British news agency, and *Toho*, the Japanese news agency's reports of the affair stated that it was done upon the 'signed order' or permission of the Ministers of the Protocol Powers. Later however, the reports stated that the Ministers had only granted Chang permission to raid *part* of the Soviet Embassy compound, otherwise the part of the compound which was occupied by the military barracks, the Russian Club, the office of the Chinese-Eastern Railway, *but not the Soviet Embassy premises*. Chang, however, seems to have exceeded his instructions for his troops and police also seem to have looted the office of the Soviet Military Attache, and to have practically confined the Soviet Embassy staff within their quarters. In the course of the raid, Chang's military forces arrested some 35 Russians and about 70 Chinese, many of the latter being Kuomintang propagandists and alleged Communist agitators. To turn to Shanghai, the picketing of the Consulate here seems to have started about 6 o'clock on the afternoon of Wednesday, April 6, but at first the picketing and searching was confined to Chinese entering or leaving the building. The next day, April 7, following receipt of more definite news regarding Chang Tso-ling's action in Peking, the Shanghai Municipal Council became more courageous and placed a stronger cordon about the building, most of the men composing the cordon being White Russian Volunteers in the employ of the Shanghai Municipal Council with a small sprinkling of British police officers and special police who were stationed at the main door of the Consulate. There was one particularly unfortunate incident at Shanghai, for one of the first to attempt to enter the Soviet Consulate on the afternoon of April 7 was Mr. Quo Tai-chi, a Pennsylvania University graduate who is now serving as Chinese Commissioner of Foreign Affairs at Shanghai. When Mr. Quo attempted to enter the building he was stopped and one of the foreign guards attempted to search him. Mr. Quo very properly refused to submit to the indignity and went immediately to the British Consulate and lodged a verbal protest with Sir Sidney Barton, Consul-General. Mr. Barton apparently was surprised to hear of the situation and immediately sent Quo to see Major Hilton Johnson, Commissioner General of the Municipal Council, who apologized for the indignity and sent a representative who accompanied Quo to the Soviet Consulate so that he could enter the building without being insulted. It is also reported that Sir Sidney Barton apologized to Mr. Quo for the indignity.

IT IS YET too early to know what is likely to come out of these incidents, but from the standpoint of the Shanghai end, the Consular Body has demanded an explanation of the Municipal Council. In addition to this the Soviet Consul-General, Mr. Wilhelm F. Linde, has protested to the Chinese authorities and the Chinese authorities, through Mr. Quo Tai-chi, have protested to the Consular Body, demanding an explanation and apology and holding the Consular Body responsible. The writer of these paragraphs is no authority on international law, but he has talked to some who are, and the evidence points to the fact that the Shanghai Municipal Council may have, in this instance, taken a step which may result in the Powers doing what they should have done in 1925. By this we mean that this arbitrary and unwarrented action of the Municipal Council may result in the Powers finally taking steps to dissolve the Shanghai Muncipal Council and taking control of affairs here directly in the name of the Powers. The notes which the Soviet and Chinese officials here at Shanghai have presented to the Consular Body call attention to the fact that the Soviet Consulate, or any consulate for that matter, is accredited to the Chinese Government and is located on Chinese soil. Hence the Shanghai Municipal authorities have no grounds, legal or otherwise, to arbitrarily picket the Soviet or any other Consulate and submit those entering or leaving to search. When the Shanghai Municipal Council takes an action of this kind without reference to the Consular Body, it assumes prerogatives of an independent state, which if established, would force all of the foreign consulates here to remove their offices outside of the Settlements into Chinese territory.

TO REVERT to the Peking incident, there probably is little question that the Soviet Embassy has served as a sort of center for Kuomintang propaganda. There is nothing strange about this for the Chinese always impose on their friends in this way. During the World War the British and French Legations in Peking were centers for the dissemination of anti-German propaganda and the American Legation was not entirely innocent from the standpoint of disseminating anti-Japanese propaganda. When the Anfu Party was defeated by the Chinese in 1918 practically the entire Anfu Cabinet fled to the Japanese Legation for refuge and the Japanese permitted these men to reside in the Japanese compound for several months until they could be smuggled out to the foreign concessions in Tientsin. The Diplomatic Quarter in Peking, which was set apart as sacred soil inviolate from Chinese invasion following the Boxer Rebellion, has dug its own grave, for it has, as stated previously, served as a hot-bed of intrigue, not only against the Chinese but also against any Power which happened to be at outs with any other Power or group of Powers. Up to the present, however, the Powers regardless of their individual differences, have always managed to stick together on the main issue, the inviolability of the area from the standpoint of search or seizure on the part of the Chinese authorities. Now however, the Powers, by granting Chang Tso-ling the right to enter the area and loot the Soviet Embassy, have dug their own graves, for the next Chinese faction which gets control of Peking may wish to loot the American, British, French or Japanese Legations. Thus does the whole Boxer Protocol fall to the ground and the Powers have no one to blame except themselves.

TO CONSIDER the question from the standpoint of Chang Tso-ling, it is not difficult to understand his motives. Chang has been trying for months to induce the Powers to finance him against the Cantonese, or to use Chang's words, 'against the forces of bolshevism.' The Powers naturally have not paid heed to Chang's frantic demands for foreign financial support for the simple reason that Chang's record is against him. Therefore Chang, seeing his house crumbling about him, with dissension in his army and disloyalty everywhere, decides to perpetrate some major foreign incident and being naturally antagonistic toward the U. S. S. R. he decides to loot the Soviet Embassy in Peking, thinking in this way that he will provoke a war with Russia and thereby force the Powers to support him. This sort of reasoning on the part of Chang is about as logical as his wholesale execution of exchange brokers in Mukden last year as a means of stopping the slump of his unsecured paper currency. However, he will fail in this last desperate action as he has repeatedly failed before, since the Soviet, regardless of what one may think of their tactics in China, is nevertheless too wise to fall into Chang's trap. There is of course no knowing what will grow out of the Peking and Shanghai incidents but the chance are that they may serve ultimately to further enhance the prestige of the U. S. S. R. at the expense of both Chang Tso-ling and the Powers, chiefly Great Britain, which directly or indirectly backed him in the action, as the picketing of the Soviet Consulate at Shanghai by the Shanghai Municipal Council, a primarily British body, indicated. The United States of America has had on official diplomatic relations with the U. S. S. R. for several years for reasons which the American Government doubtlessly considers sound. However, despite the lack of diplomatic relations, America's record in respect to the Soviet State has been cleaner than that of several other nations which have financed counter revolutions. America did intervene in Siberia, but America was quick to withdraw when the American people found out what was really back of the enterprise. Just now there are several highly placed European nations which are antagonistic to the Soviet, but none of them have either the courage or resources for an outright break with Russia. But they would like to get America into trouble with Russia, thinking thereby that they might be able to save their own chestnuts. Hence it behooves American officialdom in China to watch their steps very carefully, for there are forces at work here which would stop at nothing to embroil America in a situation in which the American people have no interest at all.

The Five Powers' Note on Nanking Incidents

The following Note and accompanying statement was handed simultaneously to Eugene Chen, Minister of Foreign Affairs of the Nationalist Government at Hankow and to Gen. Chiang Kai-shek, Commander in Chief of the Nationalist Armies on Monday afternoon, April 11. Owing to the absence of Gen. Chiang Kai-shek in Nanking, the Notes were presented to Quo Tai-chi, Commissioner of Foreign Affairs and Gen. Bei Tsung-chi, commander of the Nationalist Army at Shanghai by the British, American, Japanese, French and Italian Consuls. The Consuls General called at the Bureau of Foreign Affairs in a body and handed in identic notes.

"Under instructions of the American, British, French, Italian and Japanese Governments, the undersigned are directed by the diplomatic representatives of their several countries in China to present to you the following terms (which are simultaneously being communicated to General Chiang Kai-shek, Commander-in-Chief of the Nationalist Armies) for the prompt settlement of the situation created by the outrages against their nationals committed by Nationalist troops at Nanking on March 24th last:

"1. Adequate punishment of the Commanders of the troops responsible for the murders, personal injuries and indignities and material damage done, as also of all persons found to be implicated.

"2. Apology in writing by Commander-in-Chief of the Nationalist armies including an express written undertaking to refrain from all forms of violence and agitation against foreign lives and property.

"3 Complete reparation for personal injuries and material damage done.

"Unless the Nationalist authorities demonstrate to the satisfaction of the interested Governments their intention to comply promptly with these terms the said Governments will find themselves compelled to take such measures as they consider appropriate.

Statement on Nanking Affair

"Upon entry of the Nationalist forces into Nanking there were perpetrated against the foreign Consuls and other residents by uniformed and organized bodies of troops of the Nationalist Armies during the morning and afternoon of March 24th, systematic outrages upon their persons and properties. A number of American, British, French, Italian and Japanese nationals were murdered or wounded; many others were brutally assaulted and their lives jeopardized; they were robbed and treated with the utmost indignities; women were subjected to nameless outrages. The American, British and Japanese Consulates were violated and their national flags insulted. The houses and institutions of all foreigners resident at Nanking were systematically looted and in many cases burned.

"In view of these manifestly premeditated assaults upon their official representatives and upon their nationals peacefully engaged in their lawful occupations, the Government of the United States, Great Britain, France, Italy and Japan have found it necessary to formulate demands for satisfactory amends by the responsible Nationalist authorities. The terms thus agreed upon are studiously moderate, covering only the minimum of what would in the circumstances be done by way of honorable amends by any Government conscious of its own dignity and of its duty towards other friendly peoples in the family of nations.

"These demands are not made in derogation of the sovereignty or dignity of the Chinese people, whom the interested Governments are glad to believe friendly and with whom they earnestly desire to continue and improve relationships of goodwill and cooperation. They are directed rather towards those influences, both foreign and Chinese, which have made themselves responsible for the Nanking outrages by their activities in seeking to break up the existing friendship and to inflame the Chinese people to distrust, hatred and violence towards the people of the friendly Powers.

HOW WASHINGTON VIEWS THE CHINA SITUATION

THE FOLLOWING messages from Washington, D. C., received by *The Review* from its Washington Correspondent on April 6 and 9 give the reader an idea of how Washington reacts to events in China:

American Interest Concentrated in North China

Washington, April 6—According to the White House spokesman at the regular newspaper conference on Tues-

(Continued on page 173)

British Policy In China Discussed in Parliament

"Hands Off China" Committee Meeting Hears Address By Bertrand Russell

London papers to hand contain many details of interest as to meetings and discussions in England not contained in Reuter's telegraphic service. Below are given extracts from an address by Bertrand Russell and parts of the debate in the House of Commons on the subject of sending troops to defend Shanghai.

MR. Bertrand Russell was the chief speaker at a conference in the Houldsworth Hall, Manchester, March 12 organised by the Manchester and Salford "Hands off China" Committee, and attended by 149 delegates representing 76 Labor, trade union, cooperative, "pacifist," and other organisations, including the Society of Friends, in Lancashire and Cheshire.

Introducing Mr. Russell, Councillor T. M. Larrad, who presided, said that representatives of Labor organizations were greatly concerned with the present situation in China because they wished to avoid any possibility of war, and believed that every other way of settling disputes should be resorted to before war. They believed, too, in the right of the Chinese people to work out their own salvation in their own way.

Mr. Russell, speaking, as he said, as "a friend of peace and as a friend of China," explained that when in China in 1920 and the following year he came to have a great admiration and respect for the Chinese people and a great indignation with the manner in which the imperialist Powers had dealt with China through a long series of years. Describing the present condition of China, he pointed out that the great majority of the 4,000,000 inhabitants of that country were almost destitute peasant proprietors who had very small holdings, worked desperately hard with their wives and children, and in times of famine were very likely to die of starvation.

Westernise to Get Justice.

Then there were a number of large towns, most of them ports though not all on the coast, and a certain amount of modern industrialism in the shape of textile industries and mines, giving employment at present to probably fewer than 2,000,000 persons. The civilisation of the country was an old traditional one based on the teaching of Confucius, and as Confucius offered no solution of the modern problems with which China was faced those Chinese who had been educated on Western lines had come to the conclusion that China must become modernised in order to get justice from the West. He thought that was true. We had proved to the Chinese over and over again that we would respect absolutely nothing except force, and that until the Chinese people could exert force they had no hope of getting justice from the predatory capitalism of the West.

After describing the "unequal treaties" between China and other countries under which, he said, foreigners controlled the Customs' duties and were subject only to the laws of their own countries and not to those of China, Mr. Russell said that the present Nationalist movement was not initiated by wage-earners, who were too ignorant and downtrodden at the moment to lead such a movement, but by intellectuals, by "Young China"—the men who had had an education on Western lines. Only about 5 per cent of the population could read and write. This situation the Nationalists wished to change. They wished to introduce education everywhere and to raise the status of labour in China.

Wherever they went they introduced trade unions and wages began to rise, and there was every reason to expect that if they won in this struggle—as he believed they would—and succeeded in unifying China under their rule Chinese labor would no longer be the sweated and downtrodden thing it was now. (Hear, hear.)

Paradise for Employers

And this was a matter of importance not only to China but to the whole world, because the Western capitalist had discovered China not so much now as a place to which to export his goods as a place in which to invest his capital, which was a very different thing. In Shanghai there were a number of cotton mills owned by all sorts of people—some by Chinese, some by British and some by American, Japanese, French, and Italians. Shanghai had been described as a paradise for employers, and it was, because it was a hell for the workers.

In the International Settlement of Shanghai the foreigner had the whole of the government in his hands: although there were only 8,000 British and no fewer than 800,000 Chinese the Chinese had no voice whatever in the government. There were no factory laws of any sort, and trade unionism was illegal. No trade unionism was tolerated in the International Settlement nor where the British in China could succeed in making their influence felt.

The British in China belonged to the capitalist class; no wage-earner would go there of course, to compete with the coolie. Whenever they got into trouble with their workers they could always rely on the support of the armed forces of the British Government. They had that support at the present moment. To him it seemed remarkable that British democrats had never awakened to the fact that the armed forces for which they had to pay were being used against their own interests—as indeed they were in all outlying parts of the Empire. The cotton mills of Shanghai to-day were not a very great affair, but they were rapidly growing, and he was sure that the idea at the back of the minds of the British capitalists who invested money out there as distinct from those who traded with China, was this: they had in China a supply of raw cotton and a supply of cheap labor, so what was the need of employing the labor of Lancashire when it could be got so much cheaper in China? Their idea was that by this means they would be able to defeat the whole of the trade union movement.

He was confirmed in this view by the disastrous effect the policy of the British Government had had upon British trade with China—a policy intended to further the interests of the British investor in China as opposed to those of the British trader with China. In 1915, when the war was on, 50 per cent of China's foreign trade was with Great Britain. In 1924 it was 40 per cent. But in 1925 it sank suddenly to 26.5 per cent—an extraordinary drop, attributable wholly, he thought, to the massacre by the British of unarmed civilians in Shanghai and two other towns and the subsequent boycott of British goods.

Foreign Powers and the War Lords.

The British in China had always been bitterly opposed to the Nationalist movement. The British newspapers there

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day, President Coolidge feels that American interest in the China situation is now concentrated chiefly in North China. In this connection it was pointed out that the two chief concentration points for American citizens from the interior will be Shanghai and Tientsin, to which places the Americans will be evacuated.

It was also indicated that there is little likelihood that the United States will join with Great Britain or other Powers in demands upon the Cantonese in respect to the Nanking incidents, each Power making its representations separately, but possibly in identic Notes.

One regiment of 1,500 Marines was dispatched from San Diego on the transport Henderson today, the destination being Shanghai, but it is reported that the next regiment of 1,500 now being concentrated at San Diego will be dispatched to Tientsin in order to safeguard the American refugees being concentrated at that point.

No Change in American Policy

Washington, April 9—In accordance with a request received from Admiral Charles S. Williams, the Administration announced today that the Marine Regiment consisting of 1,500 men now mobilized at San Diege, Cal., will be dispatched to China immediately. This will be the third Marine Regiment to be dispatched to China, but as yet there has been no announcement regarding the destination of this contingent, this matter to be left to Admiral Williams. It is supposed that the Regiment dispatched on the Transport Henderson on April 7 will be landed at Shanghai unless it is felt that their services may be required at Tientsin owing to the concentration of American refugees at that point.

Despite the dispatching of Marines the American public continues to be only mildly interested in events in China.

There is however considerable interest in official circles in the raid on the Soviet Embassy in Peking by Marshal Chang Tso-ling, but as yet the State Department has not indicated whether any word on the subject has been received from Mr. MacMurray, the American Minister, in Peking. There is still considerable speculation regarding the reports that permission was given by the Diplomatic Body.

There has been no announcement of any change of policy on the part of the Administration following the conference on Wednesday of President Coolidge, Secretary Kellogg and Secretary Wilbur with Senator Borah, Chairman of the Senate Foreign Relations Committee.

(*Continued on page 188*)

contained most bitter diatribes against the Nationalists and insistent demands that the British troops sent out there should be used in support of the Northern war lords who mostly in the past had been—in the old-fashioned sense of the word—brigands and who still had armies that lived by pillage and plunder and not by regular pay. Those military tyrants would long ago have been wiped out by the Chinese themselves but for the action of the foreign Powers, for they were detested in all parts of China, and all parts of China wished to be under the Nationalist Government because it was patriotic, orderly, and honest and on the side of the people, and was the only constitutional Government.

During the war Japan was the villain of the piece, but since the Washington Conference the Japanese had turned over a new leaf. Having lost the British alliance it decided to be friends with China. But the British had behaved worse than before, and unless amends were made and we altered our policy radically he did not think the vague promises of Sir Austen Chamberlain would have any good effect.

The Chinese were more inclined to think of the troops that were being sent out than to feel grateful for the promises. (Laughter.) At the Washington Conference in 1921 Lord Balfour, with a great flourish of trumpets, announced to the world that we were going to hand back Wei-hai-wei to the Chinese. We had still got it. That sort of thing did not encourage the Chinese to pay much attention to mere words. (Hear, hear.)

What the Nationalists Want.

The Chinese Nationalists were out to secure for China a just and equal place with the other nations of the world. Their attitude was not anti-foreign in any degree. Some ignorant Tories had compared them with the Boxer movement of 1900, but the Boxer movement was a reactionary one of ignorant people to prevent the adoption of Western ways, manners, knowledge, and civilisation and to turn out the Westerner. This new movement was not against Western civilisation but, on the contrary, one led by men who had acquired and who admired Western civilisation, and who wished China to become a peaceable member of the community of nations on Western lines. They were friendly with the Russians because the Russians were the only people who had given them justice.

The privileges of extra-territoriality were taken away from the Germans and Austrians, but the Russians voluntarily surrendered their privileges and all the concessions they had in treaty ports. This and Russia's sympathetic attitude to the real needs of China had made the Chinese think well of the Russians. If the British showed themselves as friendly they would acquire to-morrow all the influence in China that the Russians had. Instead of doing that we had shot them down, and now exclaimed what ungrateful people they were not to like us. (Laughter.) A little study of human nature would do our Foreign Office good. (Cheers.)

Commenting upon what he referred to as the preposterous suggestion that Tories cared for the British lives and the Labor party did not, Mr. Russell said that the other day Mr. Baldwin himself said that the Labor party was prepared to have the British in Shanghai massacred. Well, there were about 8,000 British in Shanghai, and in a few minutes all of them could be safely aboard the warships and other vessels in the port. But, of course, if they did that they would have to leave their moneybags behind.

It was the money-bags the Government wished to protect, and in order to do this they had sent out 20,000 poor men in the shape of British soldiers. If that was caring about British lives it was a very poor way of doing it. In his own view the life of a soldier was just as valuable as the life of a capitalist. (Hear, hear.) And this expedition had already cost the country £950,000. How much could have been done with that money by spending it upon health services at home? (Hear, hear.) They could have saved many more than 8,000 lives with that money.

The fact was this Government did not care twopence about lives in England. If we wished the Government to value our lives we should emigrate to Shanghai. (Laughter.) No, it was the money that was to be protected, and not the money of the traders, but the money of the investors in China—of those who employed the sweated labor and who did not want to have trade unions or factory legislation. When, shamed by a reactionary code of factory legislation introduced by the Peking Government, Shanghai appointed a Child Labor Commission which revealed a most shocking state of affairs, and the Shanghai Municipal Council proposed a few mild restrictions upon child, labor, there was no quorum at the meeting of ratepayers which had to ratify those restrictions. The fact was that the real objection to the Nationalists was a fear that they would improve the status of Chinese labor, which would be doubly disadvantageous because, whilst diminishing the profits of the British investor, it would also destroy the hope of producing a competition severe enough to force British wageearners to consent to drastic cuts in their wages.

An Appalling Danger.

So long as our armed forces remained in China there was an appalling danger of their being used against the Nationalists. Every time detachments of British troops landed the British press there reported the men as saying such things as: "Well, how far is it to these Nationalists?" and "When are we going to have a go at them?" They were represented as having gone there for the purpose of fighting against the Nationalists, and naturally the Chinese took the view of the British on the spot.

It would be an appalling thing if the whole of the forces of the British Empire were to be used to keep up a set of unmitigated ruffians who when there was a strike went about beheading the strikers at street corners. (Hear, hear.) And what was appearing to-day in the British press, with the exception of the Labor, was all of it propaganda; and the trouble was that many of the telegraph agencies were in this business of propaganda. He hoped that when the next Labor Government was formed it would take steps to inform itself what really was happening in distant places like China and Mexico, where there were sinister capitalist influences at work, and would not be so foolish as to rely on the reports of accredited diplomatic representatives, because those men, even when they did wish to report truly had such a long tradition that they were quite incapable of relating the things the Labor party ought to know.

"This Government," Mr. Russell concluded, "must go. It has engaged in a nefarious, dangerous, and horrible practice. It is a Government which has acquired power by forgery, and is using it for murder. Unless Labor is really alive to the danger you may find yourselves landed in a business just as bad as that of 1914."

The meeting unanimously adopted a resolution sending fraternal greetings to the revolutionary workers and peasants in China and expressing the hope for their complete victory over foreign imperialism in the struggle they are now waging for freedom, and the establishment of a Nationalist Government.

"The meeting calls upon the General Council and local trades councils," the resolution added, "to convene immediately conferences of trade unions empowered to act by applying an embargo upon the transport of munitions and troops and all war materials. It demands the immediate withdrawal of all warships and troops now in China, and calls upon the Parliamentary Labor party to refuse to vote war credits and to organise a national campaign demanding the resignation of the Baldwin Government."

Cost of Shanghai Defense Force is Discussed

The House of Commons in London March 18 went into Committee of Supply and discussed an Army supplementary estimate of £950,000, required to meet expenditure in the current financial year arising out of the dispatch of troops to China.

Captain King (Financial Secretary to the War Office), in submitting the estimate, said there would be no need to enter into any question of policy on the estimate. The reasons which led the Government to dispatch the Shanghai force were well known. But it might be of interest to give a short account of the arrangements carried out by the War Office in dispatching the force. On January 18 the Board of Trade were authorised to make the necessary arrangements for securing ships for transport. The Government, not wishing to take decisive action until the last possible moment, did not authorise the War Office to take necessary military action until January 21. On that date warning orders for the units selected to go to China were sent out, and notices were posted calling up the men of Section A of the Army Reserve. These notices were sent to 1,518 men of the Reserve, and out of that number only four were absent without sufficient and reasonable reasons. (Hear, hear.) The first transport left this country only four days after the issue of calling-up notices, and between January 25 and January 29 six transports left, conveying virtually the whole Defence Force. The first of the transports arrived at Shanghai on February 26, and the last ship containing details and stores was due at Hong Kong by March 18. He thought they might all be proud of the way in which the War Department had carried out a duty involving sending such a force 10.500 miles in less than two months. (Hear, hear.) The whole was carried out with little fuss and no ostentation. All the money now asked for would be expended before the end of the present financial year.

Lieutenant Commander Kenworthy (Lab.—Hull): Shall we pay the total expense of the Indian units?

Captain King said it had not yet been decided where the actual cost of those units would eventually lie, but this estimate represented the total cost, both for British troops of the Indian brigade and for the Indian troops.

Labor Party's Attitude.

Mr. Clynes (Lab.—Platting) said that when, some time ago, the House was considering the general question the

Foreign Secretary closed his speech by appealing to members to be careful not to convey any wrong impression to people in other lands. He (Mr. Clynes) thought they were entitled to ask supporters of the Government, whether speaking inside the House or out, to avoid creating any inaccurate impression of the attitude of the Opposition regarding this question. (Opposition cheers.)

With great assiduity, said Mr. Clynes, members of the Cabinet continue to misinform the country of the course we have thought proper to take. In our mind the issues which have been raised required skilful and patient negotiation, and it cannot be said that any speaker authorised to make any declaration for his Majesty's Opposition, either in the country or in this House, ever criticised the course of Government policy so far as that policy related to negotiations and so far as it was an endeavour to seek a peaceful arrangement between the Chinese authorities and ourselves. We consider that the choice of the Government was between the effective use of far seeing statesmanship and a dangerous and futile use of the soldier. It was unfortunate for the handling of the questions at issue that the arrangement of the Government's willingness to make considerable concessions was so long delayed. There was a stage, when at one and the same time, the Government seemed to desire to parade all its instruments of warlike authority and yet to make proposals for a pacific settlement. In the view of the Opposition an alternative to that line would have been a public offer of fair terms for China, coupled with a proper request for the safety of British residents.

We are as concerned, continued Mr. Clynes, for the safety of British subjects in China as anyone. Our difference is one of method. I regard British residents in China as having rights as precious as those of British residents in this country but these rights must be maintained consistently with the complete correspondence of China and with unqualified recognition of the sovereignty of China in her own land.

Mr. Macpherson (L.—Ross and Cromarty) asked the Chairman if it was in order to discuss policy on a supplementary vote.

The Chairman (Mr. Hope) said the estimate was in effect a request for new expenditure arising out of new circumstances, and therefore it was in order to discuss the policy which had led to it.

Mr. Clynes, resuming, said we had done something in China in the matter of industrial example and in endeavouring to raise industrial standards. In the whole of China there were some 120 cotton mills, and 73 of these were Chinese cotton mills and only four of five were British. He thought it must be allowed that while standards were low and afforded a fruitful soil for the growth of discontent among the Chinese workers, it could not be said that British endeavour in China had not aimed at raising the standards of industry compared with the efforts of the owners of the other mills. (Ministerial cheers.)

It is in our political policy, went on Mr. Clynes, and not in our industrial pursuits, that we have failed. Therefore we must have closer regard to the political policy and to those who are responsible for it. Accordingly, we say that a special expedition as a first move, and while diplomatic action is being taken was a unnecessary measure, which tended rather to obstruct than to advance the prospects of a pacific settlement.

Parade of Force.

If I offer any criticism of the statement of Captain King, who recited the measures step by step as they were taken in connection with this expedition, it would be to complain of the too full employment of the photographer and the press agent in the matter of the dispatch of these forces. The effect upon the public mind and upon the mind of China of this sort of military demonstration cannot be a help to negotiation, and it can be of no service on the purely efficient or technical side of the transport of troops. I object then to any parade of power of this kind on such an occasion.

Mr. Clynes proceeded to reply to a recent speech in which Lord Birkenhead said that it was a vile thing on the part of the Opposition to take a step which was an endeavor to open out negotiations with the Chinese leaders. As a matter of fact the Opposition never made any attempt to negotiate with any Chinese leader. Responsibility for negotiations was with his Majesty's Ministers, but while the Government was responsible the Opposition had a duty, and that duty they had endeavored to perform.

Indeed they had performed it with every evidence of popular approval, and so far as the country had had an opportunity of giving any verdict, as in the case of the Stourbridge election, since the Opposition took its step in making certain suggestions to Chinese leaders the pronouncement had been overwhelmingly in favor of the course taken by the Opposition. Their criticism, in short, had been measured by an unqualified anxiety for peaceful arrangements as between the two countries. They say the danger to other British residents in other parts of China from the step taken by the Government in sending troops to only one part of China. Of course it was physically impossible for this country to send troops to every part of China, but we might have thought more evenly of the rights and safety of British subjects in the numerous parts of China where they were resident.

There is not in the Labor manifesa, urged Mr. Clynes, or any other declaration made by anyone authorised to speak for the Labor party or the Opposition one objectionable word or one word that could be construed as in any sense dangerous to the national interest, or to those who are really anxious for a peaceful settlement.

The Trade Side.

Mr. Clynes added that he wished to say two or three words on the purely trade side of the question. It was not a mercenary side of the subject. The world had an interest in trade, and so far as we had been trading with China the benefit had been mutual. It had been as much for China's good as for our own. We must seek markets though we ought to discard in these days the doctrine which had done so much damage in the past, that trade followed the flag.

We have a special concern in trade with China, proceeded Mr. Clynes, and Government policy in connection with this expeditionary defence force does touch most intimately this trade aspect of the question. China, in the matter of cotton goods, has been our largest foreign customer for long and the second greatest customer in any part of the world. It will be seen from figures that are reliable, taking a group of years and then striking an average for any one year in the years just before the war, that the exports of cotton goods to China reached the colossal figure of 500,000,000 yards. It has fallen, I am told, in the last year or two down to 177,000,000 yards. We may not for the moment appreciate or feel fully the complete effects of that very serious drop in our exports. Warehouse and other conditions make that impossible, but it must be felt that unless those figures which I have just given are questioned or not thought reliable.

Liberal Criticism Resented

Mr. Looker (C.—Essex) urged that the precautions taken by the British were absolutely imposed by the dangers of the situation. Had we been driven out of Shanghai the repercussion would have been felt not only on our position throughout the East but in the whole of the British Dominions. The presence of the Defence Force had made such consequences impossible and had not only given security to the British throughout China but had actually been welcomed by the Chinese themselves. Did Mr. Clynes defend statements such as those made at a Labor meeting at Stratford that our Defence Force was at Shanghai not for the defence of British subjcts but for the sake of dividends and profit.

Lieutenant. Commander Kenworthy replied that our continual policy had been to support the anti-democratic forces. It had been said that if every Chinese wore his shirt an inch longer it would set all the idle spindles in Lancashire going. Certainly the Government by their policy were killing a most valuable trade and it was a policy contrary to our tradition of encouraging liberty throughout the world. Russia had come to the assistance of the Chinese Nationalists, and it was no wonder that she had secured the position there she had. We should have welcomed the awakening in China, an awakening which would make for the peace of the world.

Mr. Pethick Lawrence stated that the cause of all this trouble was the killing of a large number of Chinese in Shanghai because of some disorder in the streets.

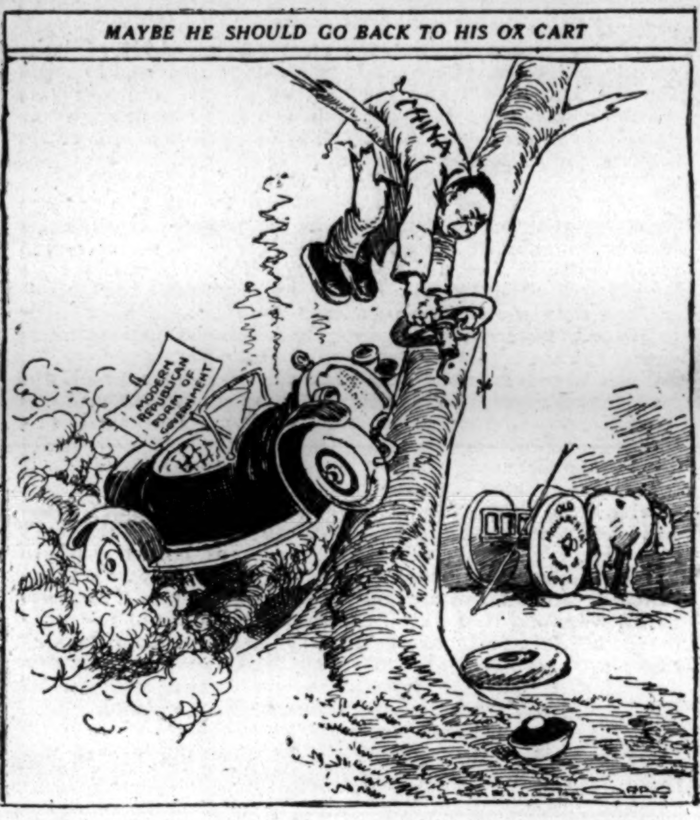
He declared that the Labor party have every sympathy with the enterprises carried on by our countrymen abroad so long as the workers are not exploited for the purpose. At the same time these traders must be prepared to take risks, and the Government is not called upon to protect their interests under all circumstances and without full investigation of the facts. (Cheers.)

Colonel Wedgewood (Lab.—Newcastle-under-Lyme) said that the sooner the Government found some excuse to end the Shanghai business and bring the troops back the better for all concerned. Every week's delay added to cost and risk and piled up hatred between the Chinese and ourselves. He congratulated the Government on having been so far strictly impartial in China, which was a great achievement when all the men on the spot had sided for years against the South. He urged them now to recognise the Southern Government

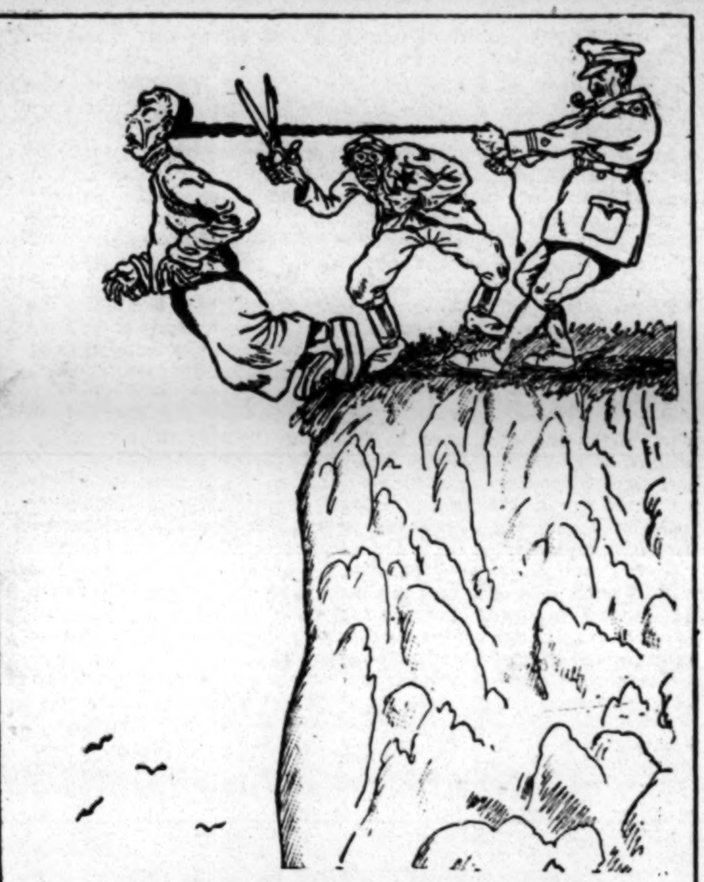
Mr. Dalton (Lab.—Peckham) said they had heard speeches from shareholders interested in China, but there as were no shareholders' battalions on the way to the East, and he did not find any special contributions from these whose interests were to be specially protected by the soldiers. Some of the British investors in foreign countries were an expensive luxury to the British taxpayer. He hoped to see in future the principle laid down that those who chose to invest money and brains outside the Empire should do so at their own risk—and that they were not entitled to embroil the British people and young soldiers in the defense of private interests.

American and European Cartoons on China Situation

MAYBE HE SHOULD GO BACK TO HIS OX CART


CHINA
MODERN REPUBLICAN FORM OF GOVERNMENT
OLD MONARCHIAL
ORR

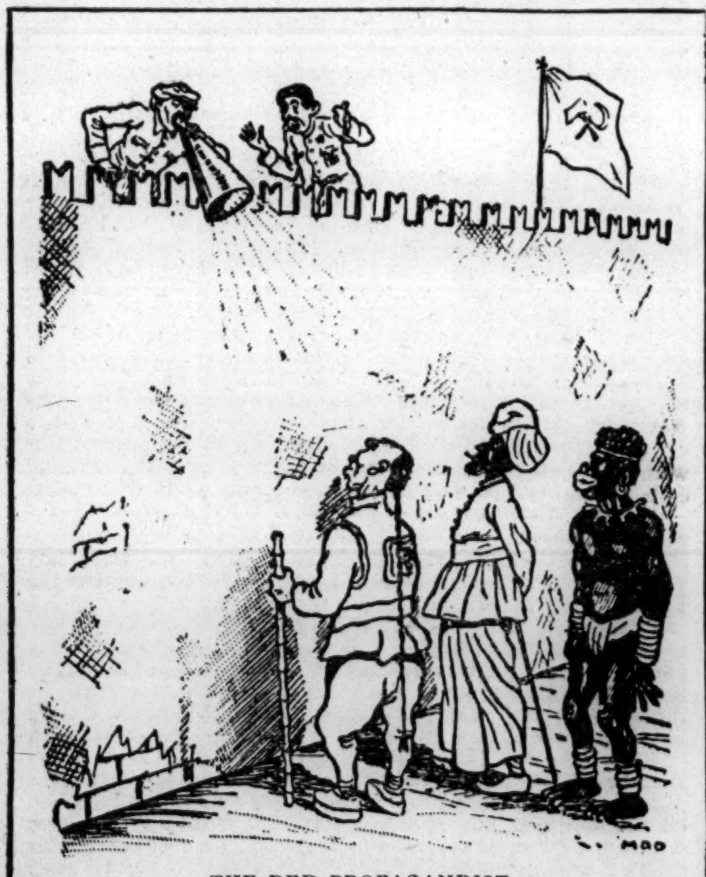
—Orr. in the Chicago Tribune



THE BOLSHEVIK LIBERATOR OF CHINA

The Moscow Propagandist: "You poor chap, I will free you in a minute from these cruel imperialists."

—*Rul* (Berlin).

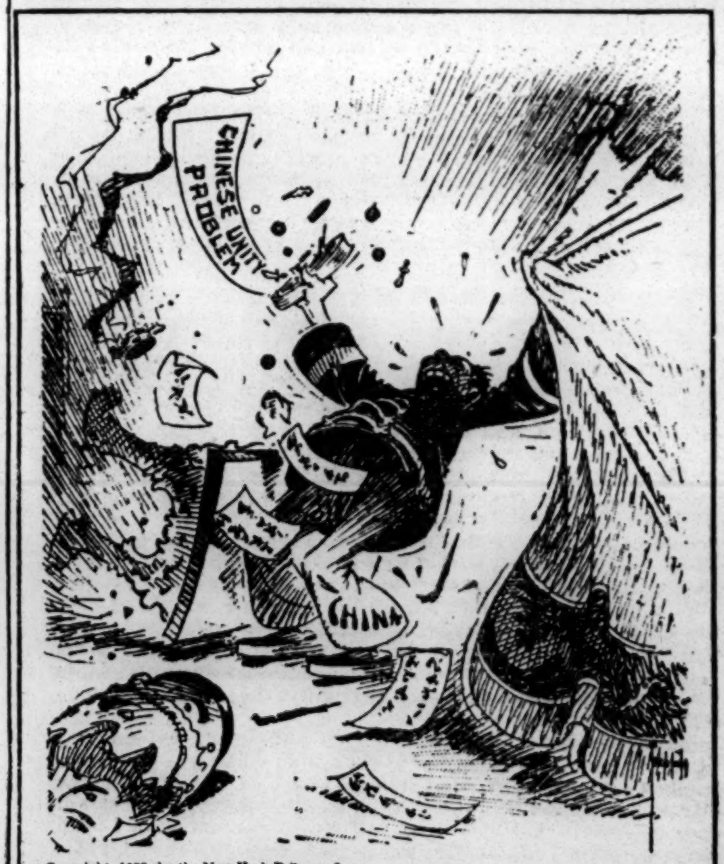


THE RED PROPAGANDIST

The Man with the Megaphone: "You slaves, why do you not get rid of your enslavers?"

A Voice from Nowhere: "Have a care, comrade, lest the Russian people themselves hear your words."

—*Rul* (Berlin).


CHINESE UNITY PROBLEM
CHINA

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AT LAST A CHINAMAN TACKLES A CHINESE PUZZLE

—Brown in the New York *Herald Tribune*.

Leaders of Rival Kuomintang Factions

Geo. Hsu Chien, leader of the radical or Communist faction of the Kuomintang. Mr. Hsu Chien is in active opposition to the Chiang Kai-shek faction.

Wang Ching-wei, member of the Moderate or 'Left' faction who is trying to act as Mediator. Wang Ching-wei is chairman of the Central Executive of the Kuomintang.

Gen. Chiang Kai-shek, leader of the moderate or 'Left' faction in open opposition to Geo. Hsu Chien.

Significance of The Kuomintang Crisis

BY SAMUEL H. CHANG

PERSISTENT reports of a serious split in the Kuomintang have ever been denied by those members of the Party who realize that more than ever before the success of the Nationalist Government requires perfect harmony among its leaders as well as a united policy in its dealings with the Powers. However much these astute Nationalists may have deplored privately the dissension among their representatives, outwardly they are maintaining, with not a little success, a semblance of unity which they know to be so essential to the ultimate attainment of their aims. They do not hesitate to dismiss, as malevolence of the anti-Revolutionists, all reports of a bitter struggle within the Party and are apt to point to the continued advance of the Nationalist forces as an indisputable proof of perfect accord and cooperation among their leaders. But this is only one way of interpreting the situation, and regardless of how reluctant they may be in admitting the split, the facts show that the Kuomintang officials are dividing themselves into opposing war camps.

While it is yet too early to predict with any degree of certainty where the line of demarcation should be drawn, the time has come for students of Chinese politics to study the present crisis historically and analytically. A right retrospective is to be established, origin investigated, development traced, and the complications explained; for the Kuomintang is a real and undoubtedly the greatest political party China has ever had. It is the one party upon the success and failure of which hinges China's whole future.

In a general way, we are more or less familiar with the Kuomintang; and here, as always, familiarity has bred contempt. Foreigners who, for selfish reasons, wish to see China remain the decrepit and ignorant China of old, when, for instance, to be a foreigner was a premium, see in the Party's foreign policy of equality and reciprocity, a most preposterous, intolerable, and offensive claim of self-importance on the part of a handful of irresponsible agitators, obsessed with the idea of power. The very ideal and highly impractical economic measures now advocated by a minor section of the Party has caused the middle class Chinese to wonder whether the Kuomintang is working for the benefit of the entire country. Its connection with Soviet Russia has aroused the suspicion of the Powers who look upon it as a dangerous disturber of world peace. Selfish militrists have attacked it for its emphasis upon the rights of the people as being bolshevistic; and everywhere the unscrupulous have utilized its activities to satisfy their own ends. A most dynamic and yet much abused political party, this Kuomintang of today!

Represents New Blood

But in spite of all these attacks, the Kuomintang stands out as the most promising and helpful liberator of overburdened China. There is a reason. It introduces, and, to a great extent, represents the new blood in Young China.

With the beginning of the Party itself we need not be concerned here; suffice it to know that it was organized by Mr. Sun Yat-sen in the latter part of the 19th century for the purpose of overthrowing the Manchu Dynasty and establishing a republican form of government. For our present purpose, we begin at the juncture where the Party was separated into two: popularly known as the Right and the Left.

Properly speaking, the right wing of the Party is nonexistent, and its very few members, such as the Honorable Tang Shao-yi and Dr. C. C. Wu, have been all but forgotten by the public. Therefore, as a matter of accurate historical information, it should be pointed out that the left wing came into existence when Dr. Sun, as founder and active leader of the Party, accepted assistance from Soviet Russia and allied himself and the majority of his associates with the Moscow Government. This was the origin of the Left. Popular usage has been less concerned with historical accuracy than with convenience, and the public's attention has never been called to the fact that the customary designations of "Right" and "Left" should have been properly called from the beginning "Left-right" and "Left-left", the original Right having almost sunk into oblivion through inaction. The following diagram may serve to show more clearly the process of separation:

KUOMINTANG

Right Wing	Left Wing*
(Mr. Tang Shao-yi, Dr. C. C. Wu and others who did not agree with Dr. Sun in the policy of accepting Soviet assistance.)	(Dr. Sun and his associates who favored and reached an understanding with Soviet Russia.)
(Left) Right*	(Left) Left*
(General Chiang Kai-shek and those who are opposed to communism as an internal policy and violence against foreigners.)	(Dr. Hsu Chien and his followers who side with the communists and are behind the labor unions.)

In order to grasp the significance of the present development within the Party, it may be well to digress here and ascertain the extent to which Dr. Sun committed himself and his followers to Soviet Russia. While no official documents are available as conclusive proof of the writer's contention, it is generally accepted, and never once denied, by the best informed Kuomintang members that it never was the intention of their leader to embrace and to put into practice the principles of communism. Undoubtedly, he welcomed and appreciated assistance and cooperation from the communists, but only to the extent that it would not in any way hinder or endanger the development of his own policies for a Kuomintang government for China. This fact is of the utmost importance especially since both the Right and the Left parties are claiming to be strictly following the instructions of their leader. The general conception that Dr. Sun advocated communism, therefore, is altogether groundless.

For this reason, it is difficult to say when his wing of the Kuomintang split into right and left again. One can feel certain, however, that until his untimely death it remained practically under his personal leadership, and the expression "Left Wing" was extremely seldom, if ever, heard of, neither was it taken seriously by Dr. Sun himself. His leadership was undisputed and no one questioned his authority.

Situation Changed at Sun's Death

But the situation began to change when Dr. Sun died a little over two years ago. To be sure, his policies remained the guiding principles of the Party and his instructions continued to be carried out. His leadership, however, was gone and his magnetism no longer felt. No one single member among his many assistants seemed equal to the task of mastering the situation, and the management of the growing Party fell into the hands of a committee. In this committee form of government, inaugurated by the Kuomintang at Canton in 1925 following the death of its founder, is to be found the beginning of the split which is now rapidly coming to a head.

Unfortunately, it is not given to many to know the inside story of the quarrels among Dr. Sun's successors. Time alone will reveal the nature and extent of the internal conflict. Sufficient, however, has been known which may be interpreted as indicative of the actual state of affairs. The appearance and subsequent ascendency of Borodin, followed by the departure of the veteran Hu Han-ming; the assassination of the late Liao Sze-kai, the "sick leave" granted Mr. Wang Chingwei whose very recent return from abroad represents another important stage of development, and the many changes of party machinery, not to mention the various cases of personal disagreements and jealousies, form only a brief chapter of the entire history of the development. While these ominous changes were taking place and the seeds of discord were being sown, important steps were also taken in fields other than politics which in a remarkably short time gave the Kuomintang a socio-economico-political program. Almost suddenly it assumed a different aspect in China's politics. No one can gainsay that complete execution of Dr. Sun's policies will entail the various economic and social changes made by the Party since his death. But certainly they would not have taken place so soon had he lived to supervise the execution of his instructions. It is also safe to say that had it not been for these complications of economic and social issues, the present situation would not have become such a muddle, for it is a certainty that there would not have been so many factions.

Space does not permit of a detailed account of these issues, nor is it yet time to estimate the permanent effect they shall leave upon China. On the whole, they have been accepted and even welcomed as a novelty and change from the traditional practices rather than as an improvement upon the old. During this period of transition, anything new seems to be better suited to the psychology of the mass, and emotion and enthusiasm are likely to prevail where there should be reason and discretion. At best, the benefits derived can only be regarded as superficial and temporary, for many of the innovations penetrate the very strata of China's four thousand year old society and cut at the root of its economic foundation. Their practicability, and adaptability remain to be seen.*

Trying to Discredit Chiang

The particular event which has accelerated the coming of the crisis is the now partially successful Northern Expedition under the command of General Chiang Kai-shek. It must be understood that even before the beginning of the campaign when General Chiang was still at Canton, his popularity with the Nationalist troops had already aroused the jealousy of some of his associates who feared his dominance over the Party. His strict adherance to Dr. Sun's principles, too, had brought him into conflict with those members of the Central Executive Committee who were accustomed to act according to the advice of Borodin. The labor Unions and the extreme radicals also felt his strong hand and wished for freer action. It was a thorny path which he led in Kwangtung.

And now, within six months of his departure from there, he succeeded in bringing over half of China under Nationalist control. This phenomenal success, while greatly increasing the prestige of the Kuomintang abroad and raising it to the highest point of power at home, also secured for him the ill-will of his jealous rivals who now determined to embarrass and discredit him so that they may not be overshadowed by his personal success. In their opinion, General Chiang was becoming bigger than the Party itself. His difficulty is further complicated by the fact that without the assistance of the Communist Party and the labor unions, his advance northward would not have been so rapid and he would have encountered such obstacles as would prove well beyond the power of guns and troops to overcome. No one realizes better than General Chiang himself that had it not been for the fact that the radicals had every where prepared for his arrival, it would not have been so easy for him and his generals. It would be ungracious to belittle General Chiang's military accomplishments and to begrudge him all credit which he is so undeniably worthy of. But, at the same time, speaking impartially, a great deal of the success of the campagin must be attributed to the undermining work of the Communists and the radicals. This accounts for his hesitancy in openly breaking with the C. P. Once deprived of its cooperation, he would not only lose a most effective weapon of attack against the northern militarists, but also add a much more subtle and dangerous foe against himself than either the Chihli or the Fengtien warlords.

Furthermore, there are other obvious reasons why it will be disastrous for General Chiang to break with the radicals at this moment. For one thing, his special task of unifying the country is only half done, and he realizes that his best chance lies in getting as much support from as many sources as he possibly can. The radicals, the Communists, and the labor unions represent a source of strength which he cannot afford to ignore. A show-down of this big group at this juncture will considerably weaken his own strength and sure to prove a most serious handicap to him from the point of cooperation against the northern militarists. Secondly, no one, not General Chiang himself, can tell who and how many of his subordinate generals will be loyal to him and help him in the task of purifying the Party. In the light of these circumstances, he is more than justified in not risking the future of the Party by trying to remove the disquieting elements, however offensive they may be to himself.

And They Found Some Money in The Treasury.

We present the following as proof that occasionally the unexpected does happen even in China:

Several months ago when Marshal Sun Chuan-fang was in control of Shanghai, someone induced him to establish a department of Public Health in the Chinese areas adjoining the Foreign Settlements at Shanghai. The head of the new Health Service was Dr. Hou-ki Hu, an American returned student, who in the brief space of a few months and in the face of complications produced by the disturbed political situation, was however, able to get his department going in pretty good order. Health stations and dispensaries were established and considerable progress was made in the dissemination of health propaganda, particularly from the standpoint of vaccination against smallpox.

But, as so often happens in China, the war came on and Marshal Sun was defeated and forced to get out. When Chiang Kai-shek came in he, in accordance with political practice all over the world, appointed his own officials including a new doctor in the Health Department. The new man who is now functioning is Dr. Liu Zee-tse, a returned student from Germany who has been a local practitioner at Shanghai for some years.

But this is the interesting part of the story: When Dr. Liu arrived to take over from Dr. Hu, he found Dr. Hu still in the office and the transfer of records and even the balance in the bank was made in a thoroughly formal and official manner, just as they do it in New York or London. It is reported that this is the first case where the Southern or Kuomintang Party has been able to find records in order and money actually in the bank to be transferred over to the new incumbent.

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*For a more or less comprehensive description of these changes, please see the writer's articles in *The Review* of March and April, 1926.

Eliminate The Radical Element Only

BY C. Y. W. MENG

THE present critical situation has really come to the culminating point. Educationally speaking, the present state of education is a positive disgrace. Practically all schools in Shanghai have gone on strike. Dozens of schools have driven out their presidents or principals. Dozens of schools have closed their doors because of the inability of the school authorities to accept the exorbitant demands of students, This is not only true of the missionary schools but it is equally true of the governmental and private schools. The old tradition of respecting teachers as their parents is a matter of the past. The outlook is so dark and gloomy that even the most optimistic champions are apt to think that the present "educational embroglio" is destined to be followed by educational bankruptcy.

The demands, 20 or 30 in number, may be summarized as follows:

1.—Students should have the right to participate in the management of the school. Students should have the right to appoint a committee to cooperate with the faculty in the administration of the school. Some schools even demand that members of the faculty committee should be less in number than that of the students with an apparent idea to put the faculty at their disposal by a majority.

2.—Students should have the right to appoint teachers and professors. Some schools even demand the power to dismiss any teacher whom they may consider "disagreeable."

3.—The school authorities should make known to the students all the school's financial reports.

4.—Teachers should make public the giving of the grades to all students. (The exact interpretation of this provision is hard to ascertain. It may mean that the school authorities should report to students their grade. But this has already been done by most schools in Shanghai. It may mean that teachers, in giving the grade to the students, should secure the approval of students.)

5.—Students should receive better treatment. (Again, this provision is subject to various interpretation.)

6.—They demand the reduction of the tuition fees, better food, better dormitories. Some schools even demand that no fee should be charged for dormitory.

7.—In case of dismissal of any student or students, approval from the student body should first be secured. Some presidents or principals whose aim in opening the schools is to make money by employing poor but cheap teachers, will unconditionally accept these demands. But by some presidents or principals, these demands are either wholly ignored or partly rejected. Then the radical party will have a chance to do what they have long been planning. They will stir up the whole student body by delivering some emphatic speeches accusing the presidents or principals as tools of the militarists and imperialists, and reiterating how they were badly treated by them. On the next day, as a rule, we will read in the advertisement column of the Chinese Press their long manifesto putting the entire blame on the presidents or principals, and soliciting mercifully for the sympathetic support of the public. It has now been a practice in Shanghai that these "deserted" students will at once start a financial campaign to found a new school.

In fact, what these radicals have done by no means represents the opinion of the student body. Most of the students, as soon as the strike is declared, have gone to their homes for rest. Even among those who stay in the school and do attend the meeting, many of them know nothing of the matter. The whole case is handled by a few radicals whose aim is to strike, to drive out some teachers against whom they have personal ill-feeling, or to close the school. Knowing how to play the party system, these radicals usually gather together beforehand to have an understanding among themselves. At the time of meeting, every one of them will deliver a long speech trying to convince everybody that to go on strike is the only means to extract an affirmative answer from the school authority. They speak so eloquently that the listeners, being human beings liable to be influenced, are at least provisionally convinced by them. Shall any brave one dare to oppose, they will use undue influence to pursuade them to follow their proposal. But should this attempt fail a threat to use force follow. At the time of voting, the glib chairman usually by virtue of the authority delegated to him, appoints two or three men to count the votes. But their honesty is always doubtful. The result, as a rule, is in favor of strike, The minority can do nothing.

It has been reliably stated that a few college graduates joined one of the best known middle schools in Shanghai with the sole purpose of starting such a movement when chance permits them. Now, this institution is in a bad condition.

As to missionary schools, these radicals will have a better chance. They can easily start a strike on the much sounder doctrine that the educational power should no longer be in the hands of the foreigners. They start what is now called a "reorganization movement." Because of this movement two of the well known institutions in Shanghai, St John's University and Shanghai College have suspended their work this term.

By a glance at the demands enumerated above, every laymen can see that should these demands be complied with, the school administrative integrity will go to pieces. The efficiency of school administration will be no more. The very aim of the school will be destroyed. The students will become more and more insubordinate and lawless. Under such conditions, no school can run.

Worst of all many leading institutions have become the seats of the radicals and a hotbed of the communists. Instead of devoting their whole time and attention to study which is their sole purpose, they have now made it a practice to go out of the school, and take part in the senseless and foolish demonstrations on matters that do not belong to their sphere of work and of which they really have no knowledge. Shall any one, or some of them, be killed or wounded by the police on duty who may happen to interrupt the meeting or disperse the crowd, then it will afford a better chance for radicals to start a bigger movement, either lodging a strong protest with the superior authorities or to call a general strike. Then, a condolence meeting in memory of these martyrs will be held.

But in fact, no one pities them.

What is true of the present state of education is equally true of industry. To day we find the most clumsy and ignorant people—the laboring class—have now become very prominent. Because of their ignorance, radicals probably have a much easier time to persuade them to do something that they are planning to do than they have with the students. They need not deliver any long or emphatic speech. Just one or two words will be sufficient to stir up hundreds, or thousands of laborers to strike, to quit the factory, etc. It is something too hard to understand that these people, only a decade ago, were considered as the most low class of people—having no standing in society, are now so powerful. One word from their union will be sufficient to paralyze all public facilities. Employers have always a hard time to deal with them. Such rapid growth of the laboring class is not a blessing to society.

Recently, many unions have been organized. They organize these not with the purpose of improving and cultivating the interest and friendship of the laboring class. Nor do they confine their demands to the increase of wages and decrease of the working hours, which are bound to come about because of the economic change as a result of industrial development, but they go far beyond that. They, ignorant as they are, desire to participate in politics. The abrogation of unequal treaties, the restoration of the customs tariff, the abolition of extraterritorialty the retrocession of the concessions have now become the clamor of the students and laborers today. But as whether they can really understand these subjects, or whether they really having no knowledge of them, is a question mostly to be answered in the negative. They raise the cry simply because the radicals of their party have told them the names of these subjects, and they have urged them to cry so. Knowing nothing of these subjects, only moved by some sensational speech, it is natural that they have fallen into the trap of these radicals.

Not only does the radical element exist in educational and industrial circles but it exists in every line, including the political. The "moderate" politicians in power now feel it difficult to get along with the radical politicians. The whole northern punitive expedition under the leadership of General Chiang will be in nil, should the radical element be allowed to dominate the Central Executive Committee of the Kuomintang.

Every one can easily imagine how dangerous it is if the radical element is allowed to exist in any circle. Here is a group of young and inexperienced students; here is a class of most clumsy and ignorant people ready to accept any doctrine that may reach their ears. They are easily moved, convinced, and instigated. They are now employed as tools by some professional radical agitators who are inclined to spread pernicious doctrines in China, as well as by the Chinese politicians, who, devoid of other weapons, depend upon them to wage their political battles. But as a result, the sufferers are the same ignorant people—sometimes, even to the sacrifice of their lives—while the radicals will reap a good harvest. After the event is over, they will call at a certain place to have their remuneration paid.

The present situation has come to the most critical point; for, on one hand, it is plainly a fact that such a state of affairs can not be allowed to continue any longer. Though China permits it to last, extraneous circumstances will not permit it to last. It has to be solved one way or the other way. But on the other hand, these few radicals

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are constantly making trouble, aiming to bring about unrest "forever." The cauldron is seething to its boiling point. If some drops of cold water be not applied, it will threaten to boil. But the only solution, as the writer can see, is the elimination of the radical element from all circles. We allow students to organize an association; we allow laborers to form unions. We allow them the power to protest against what the superior authorities have done, and to express their opinions on what they consider right. But we will not allow them to take such drastic steps as to make their demands always realized. Nor will we allow them to become a menace to the peace of the public: A law of the Republic should be passed that handing in of demands of such nature by students to presidents or principals, or to declaring strike by laborers for no other reason except for some international controversies that China may have with some Powers, which should be settled by proper diplomatic channels, are illegal actions. In other words, we should allow no room for the radical element to be active. So far as this element is not eliminated, China will never have peace. In view of the present low level of intellegence of the mass of Chinese, it is advised that the freedom given to the Chinese should be strictly restricted. The Chinese people are not yet on such a high level with the Westerners so far as education is concerned as to warrant them to enjoy as much freedom as it is enjoyed by the western people, the more freedom that is given to such ignorant people, the more menacing they will be to the public peace. For the sake of preserving this young Republic, the authorities are justified in suppressing these radicals even by force.

Shanghai, April 7th.

What Chinese Students Think of Their Teachers

Note: As part of their class work, an English class in a certain Middle School in North China was asked the other day to write a description of one of their acquaintances. The following two efforts, given exactly as written, are not without value as showing the keen scrutiny to which the missionary teacher is subjected by the alert student mind. The teacher in question, I should say, has emerged with flying colors; would we all fare as well? At any rate, it is a new angle of the present much over-worked analysis-estimate-criticism of the missionary, in lighter vein.—Editor.)

First Description.

Almost every day for two years I have met in class, in Academy, a teacher. She is a lady of five feet high, of good spirits, and with a little elongated white face. Her hair, which is light and curled, is arranged into two plain divisions, called a mobcap. I particularly notice that she has very quick, bright gray eyes and sharp nose, and this gives her a look of some temper, not bad you will say but quick and high. Round her neck she has a chain of white shining pearls,-for ornament. She wears a brown woolen overcoat and has some linen as white as snow at her throat not unlike a shirt collar. She puts on a pair of half old dark green shoes about one foot long. She walks with the two tops of her feet outward like a gentleman. Earnestly she teaches the seniors English lessons; strictly she criticizes the different characters in "David Copperfield" like a connoisseur; and naturally she acts the different characters in "David Copperfield" in class, to show the students the different characteristics like girls at play. She pays much attention to listen the students' answer like a starving cat to wait for mice at the hole, when she asks them questions. She leads them to apprehend the obscure meaning by asking them another question first, then thrown into the main subject. Eager to teach, quick to explain, surely she can attract students to feel interesting in study. The only teacher, she is, whom I admire very much for her earnestness in teaching and for her lively way of explanation. Her surname is just opposite the word "slow". It makes me think of a perfect surname for she has very quick, bright gray eyes.

Second Description

She appears the counterpart of exceeding kindness; every word she speaks is witness to her moderate, soft and mellow heart. Yet she is not weak minded, it seems that some willful power hides behind her as a real conductor of her behaviour that makes her words sweet to hear but hard to act. She is very proud of her imitating manhood, when walking, she goes forward her breast like that of duck's, the sight of her eyes always keep parallel to the ground, the only thing that she cannot change is her voice—except one or two times, in classes, which leads the students to a violent laugh.

She never speaks more than one word that she ought not to. But to say that she is cold is wrong, she is just right to her firmness. When I saw her at first sight, it makes me turn eagerly to her. Perhaps, because of her solemn character which compels me to do so; or, because of her kind countenance that attracts me to be so; or, perhaps, her tender heart touches mine to make up this crystallization. Have I the inner power of keeping far away from her?

Chinese In The Roman Church

The impact of Chinese opinion and the demand that all forms of foreign control shall be withdrawn from institutions in China, whether political or religious, has had its effect upon the Roman Catholic church, which last October took the unprecedented step of creating six Chinese Bishops—shown in their sacerdotal robes in the accompanying photograph.

The work of the Roman Catholic Church in China except in the Treaty ports, like that of the Protestant missions, is at the present time at a practical standstill, owing to the prevailing disorders in China. Many of the priests have come to the Treaty Ports.

[illegible]

TOILERS OF THE GOSPEL WHO WILL TILL THEIR OWN SOIL

Six native Chinese Catholic Bishops—Chao, Soow, Chang, Choo, Hoo and Tsoo—who were consecrated last October by Pope Pius XI. "They are the first native priests to be elevated to the bishopric, and are [illegible] to the fact that the Catholic Church in China is being gradually self-sustained in personnel."

Why Japan Cannot Join Britain in China

BY DR. S. WA HIO.

JAPAN has so far been remarkably cool and self-possessed over the Chinese situation. The press, which usually speaks freely and is inclined to be critical toward the Government's policy, has in this case been discreetly silent. It has commented indulgently on the British blunder and the excess of the revolutionary Government, but insofar as Japan herself is concerned it has been quite content to follow the situation as it moves. The general temper is one of suspense and watchful waiting but not a dark foreboding. It presents a remarkable contrast to the British temper.

Joint Action Move Dropped

Before the reopening of the Diet session a group of members of the House of Peers met frequently to discuss the Chinese situation in an apprehensive vein and it was expected that this group would introduce in the House of Peers a resolution urging for "kyocho gaiko," concerted diplomacy of the Power (which means practically joint action with Britain). But this was a very hazy idea and its motive has been interpreted by most observers as that of home politics aimed against the present Government. As a matter of fact, it has not been introduced and the House of Peers apparently acquiesces in Baron Shidehara's policy. A few days ago the Foreign Minister explained the Chinese situation before the Privy Council. There seems to have been some pointed questions put before him but on the whole the Foreign Minister's judgment seems to have easily prevailed. In the lower House there has been some Criticism of Baron Shidehara's policy. Some one confused the foreign concessions with leased territory and made an alarming question concerning the Japanese interest in Liaotung Peninsula. To this the Foreign Minister replied with a short lecture on the distinction between the two things. It is a very placid atmosphere. There is no hysterical alarm, no foreboding of a disastrous crisis anywhere.

Britain's Tactical Blunder

The opposition to Baron Shidehara's "let alone" policy could have been expected only from the traders who have to pay the surtaxes and from the old bureaucrats to whom the loss of prestige, even it be the prestige of so unsubstantial a kind as a foreign concession, means an alarm. But Britain's voluntary surrender of these two things dulled the edge of any opposition to the Foreign Minister's policy that might have been expected in this country. With these privileges virtually surrendered by Britain's initiative there is no use of "kyocho gaiko" even for the old conservative group in the House of Peers. If Britain's intention was to enlist Japan's co operation she has certainly made a tactical blunder. These two sources of possible opposition silenced by Britain's example Japan as a whole, including even the most conservativforces, is ready in her liberal policy to go as far as Britain can ever go.

Gifts Thrown Away

A gift thrown away is never a good gift. That is the Japanese feeling about Britain's manner of conceding one privilege after another. That must also be the Chinese feeling in the North as well as in the South. Britain's motive might have been the desire to rob the Southern Nationalist Government of all the grounds of its anti-British campaign, but it actually added fuel to it whether Britain knows it or not. And the reason for that is too plain to be stated. Beginning with the proposal of the unconditional offer of the customs surtaxes everything Britain proposed in her professed liberal policy has tended to profit North China at the expense of the Southern Nationalist Government. It embittered the Nationalist and evoked only the contempt of the Peking politicians, culminating in the dismissal of Inspector General Sir Francis Aglen.

Chinese Psychology

In all this Britain may have been acting logically. She may not have had any other consideration but that of straight logic. But if so it reveals Britain's gross ignorance of the Chinese situation and Chinese psychology. How much does the average Chinese care for customs autonomy and the recovery of foreign concessions? Anti-foreignism may be dormant in every Chinese, but its concrete expression in the Chinese mind exists only as politicians create it. The fact that Britain has been singled out for the recent anti-foreign campaign proves the statement. The Southern Nationalists have singled out Britain from tactical consideration and the deepest secret of the Nationalists' tactics is anti-North or anti Chang Tso-lin rather than anti-foreign. They are doing everything to conciliate Japan for her part in scrupulously refraining from taking any step that may prove either wittingly or unwittingly an assistance to him. Just at this juncture comes Britain proposing and doing things which whether she intends or not actually prove to be a help to Chang Tso-lin. If Britain has done this unwittingly she has committed a serious tactical blunder.

(*Continued on page 182*)

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THE CHINA WEEKLY REVIEW

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Shanghai's Best Asset—The E. D.

BY GEO. W. MISSEMER

THE brightest spot in Shanghai's Municipal administration is the Electricity Department. If there was any industrial depression in the year 1926 in Shanghai the report for the year of the Electricity Department shows no evidence of it. In the year 1924 the Electricity Department sold 333,877,088 units, in 1926 it sold 444,412,352 units—an increase of one-third during a period of two years which, in the popular conception, were supposed to be years of bad business.

The graphs of the progress of the electrical undertaking show year by year an increasingly satisfactory curve. The only temporary exception was in the year 1925, the year of the May 30 incident. It will be remembered that for a period of several months the great Riverside plant was kept in operation, in the heat of summer, without the aid of a single Chinese. For a considerable period even the Chinese mills were supplied with power. When the Municipality eventually decided to shut off the power from Chinese undertakings many of them put in private power plants so as to keep part of their works running. Some of these were somewhat slow in returning to the use of Municipal power, even after they had the opportunity, but in the meantime it has been demonstrated to them that no private plant can anyways near compete with the Municipal Electricity Department in supplying power.

In the course of his annual report, T. H. U. Aldridge, engineer in chief and general manager, says "It is indeed gratifying to be able to record a net increase of 13,922 h. p. in motors. It seemed in the early months of the year 1926 that local conditions and the state of trade in China generally would considerably curtail the activities of industrial concern taking supply from the Department's mains. This fortunately has not been the case, as results have shown. Furthermore it clearly indicates that the industrialist is inclined and even anxious to locate mills or factories within the area served by the Department.

Excellent Load Factor

It has been the fate of many Municipal undertakings to have been badly mismanaged, rather supporting the old saying that "what is everybody's business is nobody's business." But the public has still to hear of any criticism of the management of the Shanghai Electricity Department. There are few concerns in the world that can point to such an excellent record. Where is there another electricity works that can show a load factor of 61.79 per cent? Last year's report shows a return on capital outlay of 12.31 per cent, which is probably above the average of results produced by private undertakings, although the Shanghai electricity works are run not mainly for profit, but with the idea of supplying cheap power to industrial concerns and thus contributing to the development of Shanghai as a port.

As illustrative of the policy of the Department in this respect it may be stated that the charge for lighting averages about three times as much as that for power, and the net result is that 89 percent of the total number of units is sold for power purposes.

With a view to popularizing electricity for heating and cooking purposes a special rate of three tael cents (less than two cents gold) has been made for these purposes, and appa-

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(*Continued from page 181*)

Logic Without Knowledge

Japan should never take the side of such a blundering policy. That is the Japanese view of Britain's policy. I am making this observation not so much as my own criticism as a frank statement of what Japan as a whole is thinking of the Chinese situation and the part Britain has played in it. We sympathize with Britain's difficult position. But has the gratuitous offer of the customs surtaxes helped to extricate her from it? Has it not made the situation only worse for herself and others? What benefit to herself and other can be expected from her wholesale concessions so abruptly and gratuitously proposed? Does it alleviate the Southern Nationalist's feeling in the least? Does it gain the respect of the Peking politicians? It is positively unwelcome to the Southern Nationalists as it was preceded by a dispatch of a large force to Shanghai. In all this either Britain is acting purely logically without an adequate knowledge of the Chinese situation or she is deliberately favoring the North with the object of crushing the revolutionary Government.

I am frankly stating that this is the way the Japanese thinks of it and this is most probably also the way the Chinese take it. If Britain does not know it she may still profit by accepting it as a fact.

ratus is supplied by the Municipality on hire at nominal rates. The result, so far, has not been phenomenal, but 19,345 kilowatts were sold last year under this head, an increase of almost six thousand kilowatts over the previous year.

When one comes to examine the financing of this huge undertaking one sees how carefully it has to be handled. One almost shudders, in these times of crisis, to learn, as one does from a footnote of the balance sheet that there are contingent liabilities for the supply of plant, etc. amounting to approximately a million taels. However, up until this time Shanghai has always been able to raise whatever money it needed at reasonable rates of interest. If the money needed during the current year will be forthcoming, despite the outlook, well and good.

A Big Institution

The capital of Shanghai's electric installation, or rather the outlay, comes to roughly thirty-two million taels, say twenty million gold dollars—quite a respectable sized institution even in these days of great undertakings in the United States. Of this sum more than twenty-one million taels represents borrowed money. The loans outstanding, to use the exact figures, total Tls. 21,301,307.73

The financing of the Electricity Department has become almost a bigger thing than all the rest of the municipality of Shanghai. The annual revenue collected by the Electricity Department last year was more than ten million taels. In other words the Electricity Department collected as much money from its customers last year as the Municipal Council did from the occupiers of houses as ratepayers, from the land taxes, licenses and all other forms of taxable revenue. The Department contributed from its profits last year Tls. 1 200,000 to the Municipal funds.

When the time eventually comes that the Chinese take over Shanghai they will fall heir to a wonderful institution in the Electricity Department. It is a possibility that the Chinese may operate Shanghai as a municipality, if not as efficiently as it has been maintained so far at least as economically, considering benefits received per dollar paid in taxes. But what will they do with the Electricity Department, for there they will have a problem that requires not only the highest technical skill, but the best of management, and expert financing?

If all three of these requisites are not met there is great danger of the institution being wrecked.

No Hope For China

Chinese Situation Acute.—General Chang Tso-lin and Wu Pei-fu were reported to be joining to attack Feng Yu-hsiang, the Christian general, opening the way for an attack of their forces on the Cantonese troops. His forces will support Edwin T. Meredith, of Iowa, or Governor Angus McLean, of North Carolina, should William G. McAdoo not seek the Democratic Presidential nomination.—*Delaware (Ohio) paper.*

And Still the Newspapermen and Cameramen Arrive

The latest additions to the ranks of newspapermen and photographers to arrive in Shanghai for covering the China 'war' are Luther A. Huston, who is Far Eastern correspondent for the *International (Hearst) News Service* of the United States, and James Seeback, representative of Fox Film News, San Francisco. Mr. Huston has been in Japan for some time but this is his first trip to China. It is likewise Mr. Seeback's first trip to China.

In addition to the foregoing, H. Francis Misselwitz, who has been correspondent for the *United Press Associations* in Shanghai, has been appointed correspondent for the *New York Times* and will assume his new duties officially on May 1. Glenn Babb, who has been correspondent for the *Associated Press* in Shanghai has gone to Peking and his work here has been taken over by L. M. Claypool, who has been *Associated Press* correspondent in Manila. Morris J. Harris, formerly on the staff of the *Japan Advertiser* and *Manila Bulletin,* but recently with the *Associated Press* in San Francisco, is being transferred to Peking.

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Railway Politics in Manchuria

BY C. WALTER YOUNG

MANCHURIA might well be termed the Persia of the Far East, a second Poland, or another Ukraine. Each metaphor would have an element of truth, for in this international cock-pit Japan and Russia are waging economic war for control of natural resources in territory nominally Chinese, but, in reality, economically partitioned as was Poland politically, and this in a section of China which has always had a special relation to Peking. As the scene of three wars which marked the turn of the century, the Three Eastern Provinces have attained world notoriety, but not more from the fact of these epochal struggles in the Far East than from the incessant trade war over control of railway freight which has existed since the truce of Portsmouth in 1905.

There is war in Manchuria to-day, a war over trade where the forts to be taken are the rich resources of a section of China, the richest in all her vast area. The strategy is railway construction to granaries of soya beans and wheat, forests of oak and of pine, mines of coal, iron and gold. The tactics are to obtain from Marshal Chang Tso-lin, generalissimo of the Ankuochun, concessions bought with a price which is the assurance of support in time of need. The weapons are official relations with the marshal's Foreign Intercourse Office of Mukden through specially allocated ministers plenipotentiary which give the marshal's government in Mukden 'face' and this, for all practical purposes, is tantamount to a kind of recognition *de facto*. The weapons include expressions of good will for Marshal Chang when hard pressed by the rebellion of a late subordinate, or probably a currency loan to stabilize *fengpiao*, the marshal's Manchurian currency, and save the Mukden Government from bankruptcy on the brink of which precipice it is now tottering.

In spite of questionable tactics and reprehensible weapons used by the Soviet Government, which are low rates for long hauls, high rates for short hauls to divert traffic to Vladivostok and away from Dairen, in this economic war, Japan is winning, for her strategy is far-sighted, her tactics are effective with the marshal, and her weapons are wielded by men inspired, if not obsessed, with the conviction that Japan to live must control Manchuria.

But fortunately economic wars are bloodless, and to one whose contacts in Manchuria vary with changing residence among the Japanese in Dairen, then with the Chinese in Mukden, and with the Russians in Harbin, this contest seems more like a huge game, a sort of obstacle race being run off between Japan and Russia for a prize which includes the freight traffic from the most productive granary of North China, the bean belts about Changchun and Anta, the wheat in the fertile Hulan plain north of Harbin, the timber and coal adjacent to the Trans-Siberian from Manchouli to Vladivostok, and the varied resources of Kirin province. The obstacles to be surmounted are those placed in the way of railway concessions by the biased referee in the race, Marshal Chang, whose favoritism for Japan is a matter of common knowledge. But the proceeds from the race are not garnered alone by the contestants for the prizes. The Chinese militarists, merchants and the farmers from overpopulated Shantung and Chihli, the hitherto termed "spring come, autumn go" workers, swell their incomes by the contest, for upon a ready market for produce is the economic wealth of Manchuria built.

When it is realized that Manchuria now has about half as many miles of railway as has all the rest of China together one has some insight into the reasons for the economic rivalries there. The next five years will see the construction of lines in Manchuria probably to bring the total mileage to five thousand. It is no wonder then that the foreign diplomats in Peking's Legation Quarter are interested. They are watching events closely, the French minister with one eye open for lucrative traffic, the other on the now defunct Russo-Asiatic bank, the German minister eager to develop a market for his country's goods, the British Minister (when he finds time) and American Minister for trade and the chance to supply the rails and the rolling stock for new lines. All of them are well aware that though Japan is far ahead in the race for railway concessions, the fortunes of civil war in China may oust the erstwhile umpire and make way for another more amenable to Russian process.

The Japanese Commercial View

Probably nowhere in China does sentiment on public questions vary more than on the northward journey from Dairen to Mukden, to Harbin. The exception would be from Canton to Hong Kong. In Dairen, that mushroom metropolis of 200,000 which thirty years ago was non-existent, one finds a Japanese city with broad macadam thoroughfares, brick and stone buildings, practical monuments to the substantial character of Japanese enterprise in Manchuria. There, in the private salons of the Yamato Hotel reserved for conferences, and in the general offices of the South Manchuria Railway, the best-managed railway enterprise in North China, one gets what might be termed the railway point of view.

"Japan must have in China some region from which she can obtain rice and wheat, timber and the raw materials for manufacture, coal and iron, which her population, now rapidly becoming industrialized, must have," ventured a high official of the railway as we discussed the new Taonan-Angangchi extension. "Manchuria only can supply this need, for here alone in China are large areas of hitherto undeveloped lands waiting the plough and the dredge. The coal and iron here are essential to our manufactures, our navy and our merchant ships. You have closed your doors in Canada and the United States. Manchuria alone remains accessible and it is the logical area for expansion of our trade because of its proximity to Japan."

The train of thought started by this official was continued by Baron K. Okra, chief director of the South Manchuria Railway. The baron, conceded by his colleagues to be one of the best-informed officials of the company, was as conversant with the minutia of gauge and of rolling stock on feeder lines as with the broader phases of railway politics involving the diplomatic relations of his Government and that of Soviet Russia. He recalled his early training in the United States when, as a civil engineer for the Missouri-Pacific railway twenty years ago, he worked with surveying crews in the Mississippi valley.

"Railways are the backbone of industry here in Manchuria", explained the baron. "On their extension into undeveloped regions potentially rich in resources depends the future of the country and the South Manchuria Railway. For the construction of these new lines the company is prepared to supply the capital investment, the rails and the rolling stock, the title to the lines remaining with the Chinese Government." The baron emphasized the point that the S. M. R. operated solely as an economic enterprise whose policies were those devised to develop the potentialities of the country. He spoke as a business man, not as a politician.

Aim of Japanese Diplomacy in Manchuria

The logic of Japanese policy in Manchuria is perfect. Japan needs raw materials; Manchuria can furnish these most advantageously to Japan; through the construction of extensions and feeder lines to the S. M. R. this produce can be diverted to Japan. In the Japanese consulate general in Mukden, hard by the Japanese concession which is but an extension of that orderly brick-built solidarity which appears to particularly good advantage in Dairen, Mr. S. Yoshida, consul general, enlarged on the conversations noted above. Yoshida knows Chinese politics, enough to qualify him for an important post at Mukden. Moreover, he is a diplomat.

"Peace is above all else to be desired in Manchuria", asserted the consul general, "a thing for which the Japanese continually strive. Heavy losses, not alone to the Chinese merchants, but to the Japanese, must inevitably come from continual warfare as well as from so uncertain a state of finance as at present exists. The future of Chang Tso-lin is intimately concerned with the future of *fengpiao*, the fall of which is the symptom of a disease rather than the cause, a disease which results from inadequate security—how little no one knows outside the walled city of Mukden—which has resulted in great interference with trade in Manchuria. Only with peace can trade flourish; only with trade can the Japanese prosper. We Japanese must, therefore, pursue a policy which will keep Manchuria from falling into that chaos into which most of the rest of China has fallen. A victory for the late Kuo Sung-ling in his mutiny against the marshal last December might have been the signal for another quarrel with General Wu of Heilungchiang province. And what would have become of trade with the Chinese afraid to market their produce, and that in still another currency?"

It required no clairvoyance to conclude that in friendly relations with the marshal lies the strength for the present and the hope for the future Japanese policy in Manchuria. Acting on this conviction the Japanese have made of Chang not only a biased umpire in the railway obstacle race, but, to change the metaphor, a very resilient buffer employed to mollify the shock of Japan's rather rapid trek to the north into a sphere of interest hitherto generally conceded to be the Russian.

With such definiteness of purpose one might well anticipate that Japan has accomplished much toward her goal in the last few years, and that her aspirations for the future likewise are expressed in projected railway lines. The year 1924 marked the inception of a new epoch in Manchurian railway history, not alone because of the re-institution of the Soviet in control of the Chinese Eastern Railway under the terms of the Soviet-Mukden agreement of that year with Chang Tso-lin, but also because it signalized the beginning of construction of a railway, nominally Chinese, actually under Japanese control, straight to the north into the sphere recognized since the Russo-Japanese Convention of 1907 as the Russian Happy Hunting Ground.

The Taonan-Angangchi Line Invades the Russian Domain

The last section of the S. M. R. branch line to Taonan was opened to traffic in November 1923. Straightway plans were made for a line north to intersect the Trans-Siberian at Anganchi to link Taonan with Tsitsihar, seventeen miles to the north of the Trans-Siberian main line. Rapid progress was made in the construction work until by spring, 1926, the Nonni river had been crossed. By the beginning of July the Taonan-Angangchi line was practically completed, except for constructions of stations and incidental equipment

But further progress was impeded when the Japanese sought to cross the Chinese Eastern. The Soviet administration of that railway protested in no uncertain terms to Chang Tso-lin against the Japanese invasion of the Russian domain. Rumors of war over the issue filled the Far Eastern press and spread abroad in correspondents' dispatches from Harbin. Fortunately for the Japanese at this juncture the Mukden Government was used as a very efficacious buffer, the negotiations over the matter of crossing the C. E. R. right of way at Angangchi being conducted by the Chinese virtually for the S. M. R. A place was finally found outside the C.E.R. zone for a viaduct at Angangchi; the precedent set by the Japanese in reluctantly permitting the Peking-Mukden line to cross the S. M. R tracks at Mukden was resurrected from railway archives, and the Japanese had moved north to Tsitsihar across that illusory frontier which had hitherto delimited Russo-Japanese spheres of interest in eastern Inner Mongolia and western Manchuria.

Of the new Manchurian railways the Japanese attach most importance, just at present, to the Taonan extension. Not because the zone traversed is particularly fertile for agriculture, but rather because of the access which the new extension will give to the vastly more valuable produce area in the vicinity of Anta, on the Trans-Siberian, is the Taonan-Angangchi line much talked of by the Japanese. Nor have the vast virgin forests in the Great Khingan Mountains northwest of Tsitsihar been overlooked. In passing, it may be interesting to indicate that the Japanese have a timber concession, not far from Hailar, usually termed the Chaimen Concession, obtained by purchase a few years ago from the Svetchenko brothers, Russians of pigments lighter than Red, and which is now operated by several hundred Japanese soldiers.

The terms of the contract with the Chinese for the Taonan line are interesting as being typical of others obtained and pending. Nominally the Taonan line is Chinese, the title remaining with the Chinese Government. Actually it is under control of the Japanese, being a subsidiary line of the S. M. R. which signed the contract for supplying the capital investment, the rails, the stations and the rolling stock, and built the line under the supervision of the company's engineers. All construction materials, in pursuance of the agreement, were obtained from the Japanese, who have purchased a half million yen worth of rails from the United States Steel Corporation for a part of the line. On the authority of the chief engineer in charge of construction the total expenditure on account of rails and construction is Yen 12,900.000, the outlay for lease of rolling stock being another Yen 2,000.000.

In view of the unlikelihood of the Chinese being able to meet the obligation upon maturity of the contract it is quite probable that when that time arrives a new loan agreement

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will be proffered by the S. M. R., a duplicate of the Kirin-Changchun loan agreement of October 12th 1917, by which control of operation was assumed by the S. M. R. for a term of thirty years "in behalf of the Chinese Government". Time will tell if the Japanese will permit foreign participation in a loan to the Chinese to obtain a clear title to the Taonan line. Probably other foreign financiers will show little more interest than they have in the recent past.

Thus, with the completion of the Taonan extension, the Japanese have realized another part of the American so-called Straight-Harriman railway project from Chinchow to Aigun, which failed of fruition partly because of the united opposition of Japan and of Russia. The first thread, 140 miles long, in an oval spiderweb of railways whose northern segment will eventually link Tsitsihar with Mergen (Nunkiang), Hailun, Hulan and Harbin, has now been completed.

Japan's New Railway Approach to Manchuria

Second only to the Taonan extension in importance to the Japanese is their project now under way for a new line to connect Kirin with Kainei on the Korean border, from which a standard gauge line already runs to the Japan Sea abutting at Seishin. This so-called Ki-Kai line may be destined to a future fraught with even greater danger to Russian interests in Manchuria and the Maritime Province than the Taonan line. Should the Japanese elect to make Rashin on Kornilof bay (better equipped by nature as a harbor than Seishin) the port terminus of the new line, they could build a harbor which would seriously menace Vladivostok. Only a radical change in Soviet policy with respect to Vladivostok and remedying the transportation chaos into which parts of the Chinese Eastern Railway have fallen, could save the port from economic death.

It is not uncommon to find generally well-informed journalists in the Far East entirely ignorant of the existence of the Ki-Kai railway project, the construction of which has great economic as well as strategic significance. In this line the Japanese will have a new means of access to Harbin, the principal trade mart of North Manchuria, a route from that important center to Japan which is much shorter than that by way of Dairen. The future of Tsuruga Japan is intimately associate with the completion of the Ki-Kai line, for its naturally excellent harbor facilities might easily be enlarged to handled heavy traffic from Rashin, which would then take the place of Vladivostok as the Japanese eastern approach to Manchuria via the Japan Sea.

Few parts of Manchuria present such unusual industrial possibilities as Kirin province, for there are to be found not only rich plains in the valleys of the Sungari and the Hurka for agriculture, but minerals, coal, iron, aluminum, gold and copper. Add to this the wealth of virgin timber still in the upper reaches of the Tumen and the Yalu rivers, as well as in the regions drained by the two rivers mentioned above, and the fact that good roads can be made with ease from the soil in most of the regions of Kirin, and one has some appreciation of the economic future of this area when once it is opened by a new railway having direct communication with Japan.

The negotiations for the construction of the Ki-Kai line are replete with proceedings characteristic of Manchurian railway politics. Allegations of privileges purchased by Japan from Chang Tso-lin whose military negotiated the agreement; suggestions of diplomatic *force majeure*, together with the fact that a portion of the Nishihara loans given China in 1919 by Japanese banks, a part of which was guaranteed by the Japanese Government, are implicated; allusions of money so received squandered for alien purposes by the Chinese militarists;—these and other rumors have appeared frequently in the Far Eastern press.

Originally the construction contract was granted by the Chinese Government in 1909 to three Japanese banks whose interests were later absorbed by the South Manchuria Railway Company. The Nishihara loan agreements of 1919 contained a clause which provided for the advance of Yen 10,000,000 to the Chinese Government in consideration of the Japanese right to build a railway from Kirin to the Japan Sea. Subsequently, on October 24th 1925, the S. M. R., represented by Mr. Matsuoka, then a director of the railway, and Mr. Yeh Kung-ch'o, then minister of communications, signed an agreement by which the construction contract was definitely granted to the South Manchuria Railway, the line to remain legally a Chinese Government railway on the same basis as the Kirin-Changchun line of which it was to be considered an extension. But when Marshal Chang's satellites in Peking were removed during the period of Kuominchun hegemony in the capital, the new ministry, less favorable to Japan's aspirations in Manchuria than the former, on January 7th 1926 formally repudiated the then unpublished agreement, Japan protested, and when the exigencies of civil war (the next in chronological order in this part of China) introduced a new cabinet slate, the legality of the

(*Continued on page 187*)

Who's Who in China

Mr. Y. W. Wong
王雲五字岫廬

Mr. Y. W. Wong, well-known scholar and prominent social and cultural leader in Shanghai, was born at Shanshan, Kwangtung, in the year 1887. He had very little schooling when young and owes his education chiefly to his own efforts. As a result of entensive selfcultivation, Mr. Wong finds himself the happy possessor of a most varied stock of knowledge, ranging from mathematics and chemistry to law and political science, besides being a master of the English, French, German and Japanese languages.

Before the revolution of 1911, Mr. Wong taught in the National Institute, Woosung, where he counted among his students many intellectual leaders of today such as Dr. Hu Shih, Mr. Yang Chien, etc. When the Provisional Government was established in Nanking, he joined the Ministry of Education and was mainly instrumental in introducing and formulating the educational system of China. In the meantime he was Secretary to Dr. Sun Yat-sen, then President of the Provisional Government. After the Government was removed to Peking, he was appointed Director of the Department of Higher Education, in the Ministry of Education. At one time he acted as Vice-Minister. While serving in the government service, Mr. Wong was also professor of the Chung Kuo University, Peking, and Editor of the Republican Daily, Peking. At the end of 1923, he resigned from his official position and devoted his whole time to teaching and writing. Later he acted as Chief of the Translation Department and concurrently Chief of the Technical Department, of the National Oil Administration under Hon. Hsiung Hsi-ling. In 1916 he was appointed Special Commissioner for the Suppression of Opium in Kiangsu, Kiangsi and Anhwei. He suggested to the government some fundamental plans for stamping out this national evil, but unfortunately owing to various causes, his project did not materialize.

Since 1917 Mr. Wong has lived the life of a scholar, making researches along his favorite studies. He has written and translated a great number of books. In 1920, he was invited to be the Editor-in-chief of the Commercial Press, which position he still holds. He is at the head of some three hundred scholars among whom are many leaders of the intelligentsia. He supervises the whole output of publications of the Commercial Press, which yearly amount to from 1,500 to 2,000 volumes. The works he has edited are innumerable, those deserving special mention being "The Universal Library", (already over 100 volumes have appeared) "Studies in Chinese Classics Series", "Encyclopedia Universalis" (a stupendous work still in compilation), etc. etc. He is the author of about twenty well-known books of general or special interest. He introduced many reforms into the Commercial Press, particularly in connection with the extension of the scope of its publications.

Mr. Wong recently set to work on a reformed system of Chinese Lexicography and has embodied the results of his research in a pamphlet entitled "Wong's System of Chinese Lexicography". His system is the outcome of many stages of "trial and error"; and its simplicity and practicality have commended itself to many sinologues who did not hesitate to write to him letters of commendation.

It is believed that this system will revolutionize the arrangement of Chinese characters in dictionaries, encyclopedias, and reference books.

Mr. Wong also invented a new Classification of Chinese books. He is the Director of the Oriental Library, Shanghai, the leading library in Southern China, and was recently elected to be the Chairman of Shanghai Library Association. Despite his manifold duties in the Commercial Press, Mr. Wong still finds time for social and cultural work. He is connected with a number of learned societies in the country and has interested himself in many patriotic and social movements.

(*Continued from page 186*)

Ki-Kai construction contract was declared to be reestablished.

Since that time surveys of the territory through which the line will pass have been completed. The Kirin to Tunhua section, the first to be completed, 130 miles long, is now under construction, the earthworks for the railway having been completed for part of the line in autumn of 1926. Rails have now been laid over a large part of the line, and during January and February work crews were busy building a bridge over the Sungari river. Estimates of total costs as far as Tunhua, not including three or four tunnels which are to be built amount to Yen 18,000,000, though it is almost certain the final outlay will be much greater.

The Taonan extension and the Ki-Kai line are the two principal railway projects of the Japanese in Manchuria. They have a dozen others in mind. One group consists of that part of the residue of agenda left them by the Washington Conference, Manchuria generally having been left scrupulously alone by the pourparlers in 1921. The Manchuria question was a Gordian knot too tangled to be severed by a few strokes of a pen. But the residue was, like bean cake, a most worthwhile part for Japan, for among other privileges in Manchuria left to Japan was the right to construct certain railway lines under conditions which Japan had dictated in the spring of 1915, but which have since taken more respectable form in a joint Sino-Japanese agreement of June 1918. This agreement gave Japan the right to finance the construction of four lines in Manchuria and Jehol, to wit, those from Changchun to Taonan, from Kaiyuan to Kirin, from Taonan to Jehol, and one from a point on the last-mentioned line direct to the coast. The last two nominally have since been turned over to the four-power banking consortium.

Another group consists of projects planned by Japanese capitalists under agreements now pending or already arrived at with pro-Japanese factions temporarily in power in Peking. They include a span across the oval spiderweb aforementioned from Changchun to Taonan, a distance of 208 miles, strung north to Petuna on the Sungari river, from which grain assembling point another thread could be extended along the course of the river to Harbin. The alternative would be a line to the east from Kirin to Harbin, more difficult of construction, but, nevertheless, now under consideration by the engineers of the South Manchuria Railway. The completion of either of these two lines to Harbin would sap the grain produce from Anta and the Hulan valley and all but justify the confident assertion of a Japanese engineer to me that "We can then strew flowers over the grave of the southern branch of the Chinese Eastern."

(*To be continued next week*)

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Nationalists Confronted By Most Serious Internal And External Crisis

BY J. B. P.

The withdrawal ot the Soviet Embassy from Peking and the presentation of the Powers' Demands in connection with the Nanking incidents, combined with the serious military situation confronting the Nationalist forces along the Yangtsze River in the vicinity of Nanking undoubtedly brings the Nationalist movement in China face to face with its most serious crisis. And if this isn't sufficient, the Nationalists are also faced with most serious internal dissension—which may result in an outright break and a complete realignment of the internal political situation.

The Soviet Withdrawal and Powers' Notes

The raiding of the Soviet Embassy premises in Peking by Chang Tso-ling and the consequent withdrawal of the Embassy staff from the Chinese Capital, as well as the presentation of the Powers' Demands in connection with the Nanking incidents, are referred to elsewhere in this issue of *The Review*. In connection with the withdrawal of the Soviet Embassy staff, M. Litvinoff, Soviet Commissary for Foreign Affairs sent a Note to the Peking Government reviewing Marshal Chang Tso-ling's action which is termed a violation of international law and closes by making certain demands upon China including withdrawal of Chinese military and police from the Embassy premises, release of staff members arrested return of documents, money and other property removed and so on. However, the U. S. S. R. does not threaten drastic action, merely stating that the Embassy is to be withdrawn.

What the Powers intend to do in case the Nationalists refuse compliance with their demands in connection with the Nanking incidents is of course unknown outside of the various foreign offices, but the *Peking and Tientsin Times*, British newspaper in Tientsin which is usually in close touch with the British Government suggests that all foreigners would be withdrawn from Yangtsze ports, including Hankow and that Yangtsze River would be blockaded first at Shanghai and then later on at Chinkiang and Nanking. Following this all Nationalist troops would be driven out of the Shanghai area and martial law firmly established suppressing all labor and student organizations. Then later on the blockade would be extended to include all South China ports including Canton and possibly the occupation of Canton. The Tientsin British paper closes its suggestion of 'theoretical' action with the statement, "Every effort would be made to secure and utilize the cooperation of those Chinese who favor the maintenance of law and order and it would be made plain that there would be no attempt to suppress China's *legitimate* national aspirations or to impose a foreign yoke upon the Chinese people."

The Military Situation

Although it was stated in these columns last week that the Nationalists had obtained military control of the Yangtsze Valley, their military control does not appear so certain this week owing to a 'come-back' which the Northern forces under Sun Chuan-fang and Chang Chung-chang staged on Friday, April 8 by recapturing the town of Yangchow, located on the Grand Canal northward of Chinkiang and also on the Tientsin-Pukow Railway south of Pengpu in Anhwei province. The details regarding these battles is still indefinite, but it seems in the case of Yangchow, that the Northerners adopted Cantonese tactics by filling the town with 'plain-clothes' soldiers during the celebration of the Chinese festival and that a simultaneous attack was launched both within and without which completely demoralized the Nationalist forces and forced a retreat toward the Yangtsze. Among those who retreated were the troops of Generals Li Pao-chen and Chang Ching-li, both of whom were formerly under Marshal Sun Chuan-fang, but following the defeat of Sun at Sungkiang, joined the South. As to the fighting along the Tientsin-Pukow Line the reports are still indefinite, but the Chinese newspapers state that more than 500 wounded Cantonese have been brought across the river to Nanking and that the Chinese merchants in Pukow, across the river from Nanking, have ceased flying the Nationalist flag, an almost certain indication of coming events. There was one report from Japanese sources that the Shanghai-Nanking Railway had been cut south of Chinkiang and that Chinkiang had been captured by the North, but these reports were denied by Gen. Bei Tsing-chi, Nationalist commander at Shanghai.

Chiang Kai-shek at Nanking

General Chiang Kai-shek, commander-in-chief of the Nationalist forces is now in Nanking and according to report has called a military conference for late in the week to consider the serious situation which has developed. It was also reported that Wang Ching-wei, chairman of the Kuomintang political Committee had gone to Hankow in an effort to patch up the differences in the party and that he had also called a conference of all factions at Nanking for April 15 in a last desperate effort to avoid a break. Gen. Bei Tsing-chi, commander of the Nationalist forces at Shanghai, in an interview with American newspaper correspondents on Monday, April 11, declared that he had the military and political situation at Shanghai in hand but that the 'aggressive' actions of the International Settlement and the British troops were making it particularly difficult for him to preserve order. Bei charged the British with violating China's sovereign rights and international law by conducting raids into Chinese territory, by conducting airplane flights over the Chinese arsenal and headquarters and Chinese navy, by stationing troops outside of the Settlement and even in the Settlement which is Chinese territory, and also by cutting the Chinese military telegraph and telephone wires in Chinese territory. In addition to this statement by Gen. Bei, Mr. Quo Tai-chi, Nationalist Commissioner of Foreign Affairs at Shanghai—stated that he had lodged five separate protests with the British Consul-General, Sir Sidney Barton, covering the five points mentioned by General Bei in the interview.

Evacuation of Foreigners

Aside from the foregoing, the other outstanding events in the China situation for the period under review was the withdrawal of practically all foreigners from interior China even including North China where conditions are also becoming critical. The Japanese and Germans were the last to decide upon withdrawal, but now both these nationalities are being evacuated, the Japanese troubles arising from the attempt of Chinese mobs to enter the Japanese Concession at Hankow and their eviction by the Japanese marines who finally resorted to machine-gun and rifle fire. The Japaness evacuation has been particularly difficult owing to the fact that they claim to have more than 20,000 Japanese residents in the Yangtsze Valley outside of Shanghai.

Consuls Also Being Withdrawn

The American consuls at Chungking and Changsha have already been withdrawn, following the evacuation of all American nationals with the exception of about 100 who finally decided to remain at their posts. The American consuls at Hankow and Nanking will also be withdrawn shortly following the evacuation of Americans from these areas. The British will also take a similar course according to report, thus definitely winding up all foreign commercial enterprise in the interior of the country.

(Contined from page 173)

America's Participation in Nanking Note

Washington, April 13—America's participation in the identic notes pertaining to the Nanking incidents is causing wide discussion in the United States, there being no clear understanding as to what the Notes commit the United States Government to do in the event of the Nationalist Government's refusal to comply with the Powers demands.

It is assumed in some quarters that the Note commits the American Government to joint action with the other Powers in respect to possible future naval action. This factor has given rise to wide differences of opinion on the part of Cabinet members, although the apparent split in the Cabinet on China policy is not considered serious.

The belief is held in many influential quarters in the United States that the United States is drifting into a more and more complete coordination of activities with the other Powers and unless the Cantonese agree to make reparations promptly, it is quite possible that the United States will reach a decision never to recognize the Nationalist Government as at present constituted.

There is general sympathy with the suggestion that the United States should, along with other nations oppose Russian policy in the Far East, this development being seen in the manifestation of State Department policy.

The third installment of U. S. Marines numbering 1,500 was scheduled to sail from San Diego for China on the Dollar Liner President Grant between April 12 and 15.

Men and Events

Julean Arnold, American Commercial Attache, has gone to Canton on a two weeks' business trip.

Miss T. H. O'Driscoll, who has been connected with the *Hankow Herald*, has arrived in Shanghai.

The Hindustani residents of Pittsburgh, Penna, have passed resolutions protesting against the action of the British Government in sending Indian troops to China.

N. U Pape has terminated his services with the Texas (Oil) Company, by mutual consent, according to an announcement in the *Shanghai Times*, April 12.

Chinese silk and artificial silk mixtures as from April 9 must pay the same Chinese export duty, namely, Hk. Tls. 5.50 per picul, as silk and cotton mixtures, according to a Customs Notification.

The funeral took place April 8 of Sir Sahib Buddha Singh, Inspector of Shanghai Indian Police. He was murdered April 6 by a fellow countryman at the entrance to the Central Police Station.

Mr. and Mrs. Erich Von Salzmann of Peking who have been in Shanghai for several weeks have departed for Peking. Mr. Von Salzmann is correspondent in China for a syndicate of leading German newspapers.

Frank S. Mott, engineering representative of the Goodman Manufacturing Company, makers of electrical coal mining machines and electric mining locomotives, was in Shanghai last week on a trip through the Orient.

Dr. James H. Franklin, who represents the Federal Council of Churches of America, as chairman of its committee on relations with the Far East arrived in Shanghai April 9. He is making his headquarters in the Mission building.

Kwaku Sackey, who gives his address care Mr. Garbrab, P. O. Box No. 12 'Grand Bassam, Ivory Coast, Africa, and who, according to the letter paper, is the chief of an African tribe, writes to *The Review* asking to be placed in touch with exporters of silk handkerchiefs, Chinese earthenware, linens, etc.

Wilbur Burton and Mrs. Mildred Mitchell, American journalists arrested in Peking April 4, at the request of the Peking authorities on suspicion that they were propagandists for the Nationalists, were released four days later by the U. S. Legation, as the Peking authorities brought forth no evidence in support of their allegation.

On motion of O. G. Steen, seconded by K.. Fukushima, a resolution was passed at the Shanghai Ratepayers Meeting held April 13 expressing the Ratepayers' heartfelt gratitude for the measures taken by the Municipal Council in the first instance and afterwards by the Foreign Powers for the protection of all residents of the Settlement.

Dr. William E. Hoy, of the Reformed Church Mission of America, died on board ship while enroute to the United States last week and was buried at sea. Dr. Hoy was principal of the Boys' School, Lakeside, Yochow, which institution was forcibly taken over by the Communists. He had been a missionary in Japan and China for more than forty years.

Three Indians connected with the British Defense Force in Shanghai were sentenced April 8 to 18 months imprisonment for attempting to spread sedition. Among their activities were the handing around of circulars stressing the point that the Indian soldiers did not get nearly as much pay as did the English soldiers: also that Chinese employers would be willing to pay them much more for their services as watchmen than they received as soldiers.

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From the Chinese Press

April 6—Two foreign newspapers in Hankow, the *Herald*, American and *Central China Post*, British, closed indefinitely owing to strike of printers—Some 4,700 Cantonese troops leave Chinkiang and cross river occupying Yochow—Foreigners decide to evacuate Changsha owing to anti-foreignism and particularly anti-Americanism owing to Nanking incidents—Families of foreigners in Peking evacuating to Peitaiho, Dairen and Japan—*Toho* report from Peking states that if conditions become worse that Japan may be forced 'to take stronger measures'—Owing to fear that Chinese navy in Tsingtao may go over to South, Gen. Pih Shou-tseng takes steps to 'disarm' the six gunboats; later report states that Chang Chung-chang has executed Admiral-General Pih Shou-tseng—Chinese claiming to be agents of Provisional Government of Fukien province take over Min River Conservancy Bureau at Foochow and confiscate records; Consular Body protests—*Toho* report from Hankow based on wireless reports states that Nationalist soldiers are guarding borders of Japanese Concession while the Japanese have landed 600 Marines to protect the Concession, the Japanese Naval captain declaring that he will defend the prestige of the Empire and refuse the admission of a single Chinese soldier; all Japanese nationals being evacuated from Hankow—About 100 American residents of Hankow are residing on Bund ready to evacuate and all official records of the American Consulate-General have been removed to an American gunboat in the river; about 100 French, Belgians and Swiss still remaining in Hankow but ready to evacuate—All foreigners evacuate Taiyuan, Shansi province—Japanese, British, French and American Ministers continue to confer on China situation particularly Nanking incidents and measures to be adopted—Legation Garrison commanders in Peking confer on subject of defense, the Peking garrisons numbering about 1,100 marines and troops with about 2,200 troops in Tientsin—Chang Tso-ling tries to induce Koo Cabinet to carry on—*Toho* reports that Peking Ministers urging their home government to send reinforcements to Tientsin and Peking—Sir Miles Lampson, British Minister reported to have notified his nationals to evacuate Kalgan, Suiyuan, Tatung and other places in Manchuria—Mass meeting of 20,000 in Hankow celebrates occupation of Shanghai by Nationalist troops—Japanese continue to send reinforcements to Hankow—Provisional Government at Canton prohibits demonstrations against foreigners in Canton area, including Shameen—Report from Amoy states that postmen, printers and seamen strike, chiefly against foreign administration of Post Office—*Toho* report from Peking states that British, Japanese and American Legations may finally decide to send a Commission to investigate the Nanking incident—Reported that Gen. Pi Shou-tseng former Northern Defense Commissioner at Shanghai has gone over to South—Tokyo Report states that Nationalist Government has offered to assume responsibility for Nanking incidents; that Government will punish the guilty; that protest will be lodged against bombardment of Nanking; declares that Nationalist movement is not anti-foreign; that Nationalists have no intention of using force against the Settlement.

April 6–7—Hankow message by *Kuo Wen* Chinese agency states that Nationalist Government will dispatch circular telegram demanding that everybody obey the mandates of the National Executive Committee—Trains between Peking and Tientsin filled with foreigners rushing to coast—Reported again that Liang Shih-yi may form new Cabinet—T. V. Soong appoints Chen Fang-shi as head of salt administration in Kiangsu—Wang Ching-wei, Chiang Kai-shek and Chen To-hsiu, latter being Communist leader circulate proclamations declaring allegiance to Central Executive.

April 7-8—Yu Ya-ching, chairman of the Shanghai District Chamber of Commerce and ex-chairman of the General Chamber of Commerce sends cable to Baron Shidehara, Foreign Minister, Tokyo expressing thanks for Japan's policy toward China—Demonstrations in Ichang over Hankow incident and Japanese residents prepare to evacuate—Chang Chung-chang airplane drops bombs on Nanking and returns to North—All Japanese women children evacuated from Hankow—Mildred Mitchell and Wilbur Burton, Americans connected with the ChunMei News Agency detained by Fengtien military on account of having sent out telegrams considered detrimental to the Ankuochun forces—Foreigners leaving Canton for Hongkong—Chang Tso-ling's forces numbering from one to five hundred soldiers and police suddenly raid the Soviet Embassy in Peking, the *Reuters* and *Toho* Agency reports both stating that it was done upon the authority of the Diplomatic Body—Wellington Koo resigns again and Chang Tso-ling attempts to induce Liang Shih-yi to form a new Cabinet—Foreign Ministers and Military attaches in Peking hold conferences on question of protecting foreigners in North China and according to *Kuo-Wen* Agency the British Minister tells the Japanese that inasmuch as the British are defending Shanghai that the Japanese should send troops to North China—Serious fighting develops at Pengpu between the Northern and Southern troops—Gen. Tsai Weng-lin, commander of 7th Shantung Division assassinated by own men—Chang Tso-ling, Chu Yu-puh, Chang Chung-chang, Kow Ying-chieh and other northern militarists confer on military situation and definitely decide to defend Hsuchowfu in northern Kiangsu—Eugene Chen decides to temporarily postpone his trip to Shanghai, but it is rumored that he is already in Shanghai—Japanese Minister in Peking recommends evacuation of his nationals to Tientsin.

April 8—Chinese continue to attack Japanese at Hankow and loot many houses; property of Mitsui and Company located in ex-German Concession looted and burned—Chang Tso-ling's officers claim that 25 Russians and 64 Chinese were arrested in the raid on the Soviet Embassy in Peking and literature were seized; Prisoners handcuffed and taken to Metropolitan Police Station—Powers still in deadlock over Nanking incidents, Japanese apparently being responsible for holding up drastic action which British are demanding—Chang Tso-ling claims to have found list of Kuomintangists numbering 40,000 in raid on Soviet Embassy—Later reports from Peking state that Chang Tso-ling arrested a total of 85 persons in the Soviet Embassy, but still not clear regarding whether the Diplomatic Body actually granted permission; Dutch Minister, doyen of Body practically admits that he granted permission on the grounds that the Soviet was not part of the Diplomatic Circle and hence could not claim exemption when Chang demanded right to search premises—Among Chinese arrested in Soviet Embassy was Li Ta-cho, reputed to be a communist—Wellington Koo agitated over Chang's action and resigns again—Also reported that among those arrested in Soviet Embassy were General Chia Teh-yao, former premier, Liu Chih-lung and other prominent in Peking politics—Kenseikai Party in Japan dispatches Masao Kanda, member of Parliament to China to investigate conditions in Yangtsze Valley—Chang Tso-ling addresses telegram to Ankouchun military leaders telling of raid on Soviet Embassy and stating that he had done so because it was headquarters for the Kuomintang propaganda in North China—*Toho* report definitely states that those arrested in Soviet Embassy number 75 Chinese and 22 Russians—Japanese foreign office continues 'passive' policy despite fact that business interests and public are pressing for strong action.

April 8-9—New Social-Democratic Party in Japan continues efforts to effect liason with Kuomintang party in China and decide to exchange delegates—Chinese military and mob absolutely prevent communication between Japanese con-

(*Continued on page 192*)

Dr. Wm. H. Kilpatrick, member of the faculty of Teachers College, Columbia University, N. Y., who has been in Shanghai for some time lecturing before the Chinese Association for the Advancement of Education has departed for Tientsin. Dr. Kilpatrick was accompanied by Mrs. Kilpatrick on the trip to North China.

Nine hundred and fifty-six members of the student body and faculty of Oberlin College petitioned Congress just before its adjournment in March urging that provisional agreements be made indicating America's willingness to enter into relations with China on an equal and reciprocal basis as soon as some government is established that is able to speak for the whole of China.

E. V. Jones, Ph. D., and Mrs. Jones sailed by the s. s. *President Madison* April 1, enroute to San Jose, California. Dr. Jones came to China in 1913, holding the post of professor of chemistry for nine years at Soochow University and five years at the University of Nanking. He has also been prominent in East China athletics. Dr. and Mrs. Jones were among those who went through the "reign of terror" at Nanking. They speak in high terms of assistance rendered by Chinese students, professors and friends.

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New Books of Interest in the Far East

Christian Work in China

China Christian Year Book, 1926, Shanghai; Christian Literature Society.

The growing impact of Chinese thought and action in reference to all things foreign in this country has induced the publishers of what was formerly the China Mission Year Book to adopt the title given above.

The editor of this publication is the Rev. Frank Rawlinson, D. D., editor of the *Chinese Recorder*. The contributors, some two score in number, include the more prominent Christian workers in China, both foreign and Chinese, and the subjects treated cover a wide range. Among the contributors are E. C. Lobenstine, H. F. MacNair, Gilbert Reid, Bishop Logan H. Roots, Fong F. Sec, A. L. Warnshuis, T. Z. Koo, and Wu Lien Teh.

Let us take first one of the very practical subjects discussed, namely whether for the average Chinese, taking into account what is expected of him in the way of donations, for funerals, for weddings and the like, does it cost more or less to belong to the Christian church than it does to remain a follower of the old Chinese religions? The writer on this topic furnishes figures to show that on the whole less is expected in a financial way from a Christian. However, this is not pointed out as an argument to be used in persuading Chinese to become Christians.

Another very practical subject is one dealing with the improvement of farm life in China. Appreciative reference is made to the work in sericulture done by the Canton Christian College, by the Girls' Sericultural School at Hushukwan, and the University of Nanking.

Closely allied to the above are the famine prevention activities of the University of Nanking and the Yenching University, who "fell heir" to an unexpended balance of close to a million dollars (gold) from the China Famine Fund, collected in America in 1920-1. The general aim of those in charge of expending the money is to devise ways and means to prevent future floods and to teach the rural population of China more up-to-date methods of coaxing a livelihood from the soil.

Taking a general survey of the contents of the Year Book it may be stated that there is a general theme running through it of a realization of the fact that Chinese, whether Christians or non-Christians, have come to the point where they object to any sort of control from abroad. Thus it is realized that as much as possible all national, and particularly denominational, attributes should be effaced from the operations of the various missionary societies if the most effective work is to be done.

The work of the missionary in the future will be more and more, not the making of proselytes, but the teaching of Chinese pastors and the nurturing of Chinese churches, in which the control will be purely Chinese, without any foreign assistance being supplied unless the Chinese ask for it.

Likewise, and this subject is discussed at considerable length, the time has come when the missionary should not be able to rely upon a special status, based in the last resort to an appeal to force, as this very fact is bound to raise a suspicion among the Chinese population as to his *bona fides*.

Naturally enough the subject of extraterritoriality and the "toleration" clauses are treated at considerable length. It will be interesting to note what the writers in the Year Book for 1927 will have to say on this subject.

G. W. M.

A Tale of the Holy Roman Empire

Power. By Lion Geuchtwanger. Translated by Willa Edwin Muir New York; The Viking Press

This is a tale of the time of the Holy Roman Empire and the scene of the plot is placed in Wurtemberg. The first part deals with the history of the reign of the weak-minded Duke who gave his power in the hands of a vain woman whe ruined the country and imposed such heavy taxes that the people groaned under them. She played upon the feelings of the Duke and participated in the court-intrigues against the other officiels and the Jews. But in the end Susz, a crafly Jew came to power through the intrigues of a Kabalist, and effecting the assassination through poison of the old Duke, paved the way for the accession of Karl Alexander, brother of the late Duke. Now Susz became financial adviser of the new Duke, and by imposing fresh taxes and new conspiracies made the condition of the people worse. Susz pandered to the reigning Duke until even his own daughter was sacrificed to the dissolute nobleman. He brought the court to the depth of moral depravity.

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This romance is told most graphically and is interesting reading. The condition of the Jews of that time, the struggle of the people under the immoral rule, the splendor of the Jewish financial adviser, are described vividly. It is one of those books that live long and do not grow old with time.

H. P. Shastri

Around the World in Twenty-eight Days

By Linton Wells, Boston and New York: Houghton, Mifflin & Co.

Ever since the historic voyage of Magellan's ships (but not Magellan) through the straits that bear his name, the trip around the world has lured adventurous spirits to try to break the time record. The most famous trip, however, was that which did not take place in reality, but which was evolved by the French novelist, Jules Verne. The adventures of Phineas Fogg, in making the trip in eighty days, are familiar to everybody. The details of his journey are much better fixed in the public mind than are those of the men who did the actual journey in the flesh. Of course one point to bear in mind in connection with the more recent adventures that they are not quite correctly described as "trips around the world." They are in reality trips around the North Pole, the whole object being to travel on as short a circle of the earth as there are facilities for doing it. The most noted of the circumnavigators during the past few decades was Nellie Bly. Linton Wells, the author of this book, and his companion Edward S. Evans, had a thrilling time of it in reducing the time to twenty-eight days, which stands up to this time as the record. A great deal of their time-cutting was accomplished by means of airplanees, particularly along routes which are outside the usual services. Their greatest anxiety which they experienced was the making of connections. In some parts of the world the governments gave them every assistance. In other countries the authorities were not the least bit interested. One imagines, however, that the fame of these intrepid travelers will be short-lived. Disturbed political conditions in Russia and China in recent years have prevented the establishing of efficient and up-to-date means of communication. But the indications are that it will be only a few years more until regular air routes will be established across the north Asiatic continent just as they have been established in the United States. Then taking the trip that Wells and Evans took will become a commonplace. In the meantime it is interesting to read how they did it.

(*Continued from page 190*)

cession and adjoining Chinese area and Chinese also boycott Japanese making food supplies difficult to obtain—Admiral-General Pih Shou-tseng shot at Tsinanfu upon orders of Gen. Chu Yu-puh—Chinese mobs at Nanking attack Japanese with cries of 'Kill all foreigners: the Japanese too—Chinese troops at Wuhu assume anti-Japanese attitude—*Toho* report from Peking definitely states that since the Diplomatic Body could not prevent Chang Tso-ling from raiding Soviet Embassy that the matter was left in the hands of Mr. Oudendijk. Dutch Minister who is doyen of Corps, who agreed for Chang to raid the Russian military barracks. Chinese Eastern Railway offices, the Dalbank but not the Soviet Embassy; Chinese however exceeded instructions and raided offices of the Russian Military Attache, regarding which phase of the incident, the Diplomatic Body is reported to have protested—Soviet officials in Tokyo call on Japanese foreign office for information regarding the raid on the Soviet Embassy in Peking—Chinese *Kuo Wen* report also states that Diplomatic Body granted Chang Tso-ling permission to raid the Soviet Embassy—Chang Tso-ling and his son Chang Hsueh-liang issue statements urging that Peking should break off relations with Soviet Russia—Nationalist Government at Hankow warns Chiang Kai-shek against conducting diplomatic negotiations with foreigners at Shanghai and again orders Chiang to the North—Chiang Kai-shek raids office of Political Committee at Shanghai; Chinese bankers at Shanghai lend Chiang Kai-shek $3,000,000 the deal being negotiated by T. V. Soong, Nationalist Minister of Finance.

April 9—Nationalist Department of Communications has appointed the following to positions in the Shanghai area: Tsai Tsung-chi. Managing director, Shanghai-Nanking and Shanghai-Hangchow Railway; Sung Tsao-wu, head of the Chinese Telegraph Administration: Feng Wei, head of Telegraph Material Department; Li Hsung-mao, head of Chinese Telephone Administration; Koo Ting-hsun, chief engineer of Wireless Station at Woosung—Following the assassination of Gen. Tsai Weng-lin. Gen. Chang Chung-chang has transferred his troops to Gen. Fang Yun-chang—

(*Continued on page VI*)

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity			Sale Price April 7th.	Sale Price April 7th.	Approx. Yield to Maturity April 7th.
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct.	1,	1952	108¾	108¾	7.25
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct.	1,	1945	107	105¾	6.95
Republic of Chile S. F. Loan	7	Nov	1,	1942	100½	100½	6.95
Argentine Government Ext. S. F. Loan......	6	May.	1,	1960	99	99¾	6.00
Kingdom of Italy, Ext. S. F. Loan..........	7	Dec.	1,	1951	96½	96¼	7.30
Austrian Government S. F. Guaranteed Loan..	7	June	1,	1943	104½	104½	6.55
French Government Ext. S. F. Loan............	8	Sep.	15,	1945	100½	110	7.00
Japanese Govt. (£)	5	1907/1947			79¾	78¼	7.00
German Governments S. F. Loan...............	7	Oct.	1,	1949	107¾	107¾	6.35
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept.	15,	1950	103	102¾	6.75
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb.	1.	1945	103	103	6.70
German General Electric Co. S.F. Loan....	7	Jan.	15,	1945	103¾	104⅝	6.55
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct.	1,	1954	99	98½	6.60
Chicago Rapid Trans. 1st. & Refunding Mtg'e.	6⅛	July	1,	1944	98	98½	6.65
Northern Ohio Power & Light Co. Debentures .	6½	Jan.	1,	1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov.	1,	1944	100	100½	7.45
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct.	15,	1942	100	100½	6.95
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock			100	100	7.00
Victor Talking Manchine Company Cum. Prior..	7	Pfd. Stock			98¾	98	7.14
Willys Overland Co.....	7	Pfd. Stock			92	91½	7.65

Shanghai Exchange for Week Ending Wednesday, April 6, 1927

By Maitland, Fearon and Brand

Exchange:—The prices of Bar Silver in London has continued to improve the pas week, today's quotations 25⅝d forward are $\frac{5}{16}$d. above those ruling this day aast week. The official T/T rate on London has advanced to 2/6¼d., but actual business is during at ⅛d. above the official quotation. The exchange market has ruled steady to firm owing to speculators continuing their selling operations, apart from this very little busness is passing and the market is still very sensitive and easily influenced on political news and rumours The following ratef for Gold remittances are available at the close of the market, which is steady:—T/T London 2/7⅛d, New York 63, Yen 77½.

Our stocks of silver are reported as follows:—

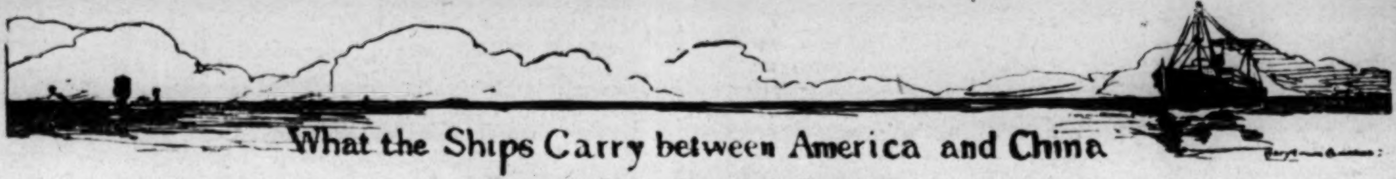
Sycee and Bar Silver..................	Tls. 78,064,000	an increase of Tls.	548,000
Chinese and Mexican Dollars........	$ 81,910,000	an increase of $	1,360,000

Estimated value Tls. 137.039,000 as against Tls. 116,301.000 held at this time last year.

	Average rates for Mar.	Thursday Mar. 31	Friday April 1	Saturday April 2	Monday April. 4	Tues. April. 5	Wed. April 6
Bank's selling rates		*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*	*opening* *closing*
T/T London	2/5.519	2/6¼ 2/6$\frac{5}{16}$	2/6¼ 2/6$\frac{5}{16}$	2/6¼ 2/6$\frac{5}{16}$	2/6¼	2, 6¼	2/6¼
D/Dfts ,,	—				2/6$\frac{5}{16}$	2/6$\frac{5}{16}$	2/6$\frac{5}{16}$
4 m/s ,,	—	2/6½	2/6½	2/6½	2/6½	2/6½	2/6½
T/T India	163 991	168¼	168¼	168¼	168¼	168¼	168¼
T/T France	1.525 556	1560	1560	1560	1560	1560	1560
T/T N. Y.	59.782	61½	61¼	61¼	61½	61½	61¼
T/T Hamburg		258	258	258	258	258	258
T/T H'kong	81,019	81	81	80¾	80¾	80¾	80¾
T/T Japan	82.356	80	80	80	80	80	80
T/T Batavia	148.611	152¼	152¼	152¼	152¼	152¼	152¼
T/T Straits	94.278	92	92	92	92	92	92
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/7.519	2/8¼	2/8¼	2/8¼	2/8¼	2 8¼	2/8¼
4 m/s ,, D/P	—	2/8⅜	2/8⅜	2/8⅜	2/8⅜	2/8⅜	2/8⅜
6 m/s ,, B/L Cred D/A	2/7.831	2/8$\frac{9}{16}$	2/8$\frac{9}{16}$	2/8$\frac{9}{16}$	2/8$\frac{9}{16}$	2/8$\frac{9}{16}$	2/8$\frac{9}{16}$
4 m/s B/F Cred D/A or D/P	1.655.556	1690	1690	1690	1690	1690	1690
4 m/s N.Y.Lc.	63.282	64¾	64¾	64¾	64¾	64¾	64¾
4 m/s ,, Docs	—	65¼	65¼	65¼	65¼	65¼	65¼

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Mar. 31	April 1	April 2	April 4	April 5	April 6
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26$\frac{1}{16}$	25⅞	26$\frac{3}{16}$	26¼	26¼	26⅜
**New York Price of Bar Silver per oz. (Pure)	G. $.56¼	G. $. 55¾	G. $. 56½	G. $. 56½	G. $ 56½	G. $.57
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).......	Tls. 386^{40}	381^{30}	377^{20}	382^{20}	378^{40}	375^{80}
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	Tls. 111^{00}	111^{00}	111^{00}	111^{00}	111^{00}	111^{00}
Shanghai Mexican Dollars per $100......	Tls. 72.825	72.8125	72.8625	73.0375	72.9875	72.975
Native Bank Rate of Interest (Call money)	Nil	Nil	Nil	Nil	Nil	Nil
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 123.92
Bank of France rate of discount	5½%	New York on London	T/T 485¾
London open Market of Dis. 3 m/s	4⅜%	Bombay on London	T/T 1/5⅞
,, 4 ,,	4⅜%	Hongkong on London	T/T 2/0
,, 6 ,,	4⅜%	Kobe on London	T/T 2/0⅛



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.41 equal Gold $1

PRESIDENT GRANT,

March 4.

From U. S. A.

Cotton Goods, Unclassed	Yds.	183
Copper Ingots	Pls.	2,352
Tinned Plates, Plain	,,	600
Cotton Raw Bls. 1,500	,,	2,950
Flour, Wheat	,,	2,804
Ink, Printing	,,	328
Milk, Evaporated	,,	849
Paper Unclassed	,,	3,535
Motor-cars	Pcs.	39
Cigarettes	Mille	25,000

FUKUYO MARU, March 5.

from U. S. A.

Timber:		
Softwood, Ordinary, Sawn	Sup. ft.	2,033,000

BOLTON CASTLE, March 5.

From U S. A.

Cottons Yarn-dyed	Yds.	6,463
Babbitt Metal	Pls.	85
Iron Nails, Cut	,,	405
,, Tubes	,,	400
,, Galvanized, Tubes	,,	1,782
Tinned Plates, Scrap	,,	393
Leadfoil and Tinfoil	,,	537
Cheese	,,	4
Cotton, Raw .. Bls. 179	,,	609
Tobacco, Leaf	,,	7,291
Motor-cycles	Pcs.	1
Typewriters	,,	21
Cigarettes	Mille	37,500

From Manila.

Alcohol	Galls.	24,024

MONTREAL MARU,

March 7.

from U. S. A.

Iron Hoops, Old	Pls.	560
,, Scrap, Old	,,	221
,, Wire, Old	,,	361
Newspapers, Old	,,	3,444
Timber:		
Softwood, Rough Hewn	Sup ft.	100,003
Softwood, Ordinary, Sawn	,,	968,077
Softwood, Merchantable	,,	175,612

TECUMSEH, March 8

from U. S. A.

Gasoline, in bulk	Galls.	363,461
Oil, Lubricating, Mineral	,,	206,110

RHINE MARU, March 9.

from U. S. A.

Steel Sheets	Pls.	604
,, Galvanized: Sheets	,,	3,319
Tinned Plates, Plain	,,	1,192
Flour, Corn	,,	210
Dextrine	,,	18
Paper, Unclassed	,,	3,423
Tobacco, Leaf	,,	7,244

PRESIDENT VAN BUREN,

March 9.

from U. S. A.

Machines, Calculating	Pcs.	15
Motor-cars	,,	2
Motor-trucks	,,	2
Woollen Yarn	Pls.	30
Brass Wire	,,	3
Iron Nails, Cut	,,	170
,, Pipe Fittings	,,	15
Steel Screws	,,	316
Steel, Galvanized:		
Wire Shorts	,,	271
Tinned Plates, Plain	,,	301
Terneplates	,,	575
Asbestos Sheets	,,	2
Bronze Powder	,,	63
Cement	,,	930
Canned Asparagus	,,	7
,, Fruits	,,	189
Cuttle-fish	,,	214
Glue	,,	47
Indigo Paste, Artificial:		
20 per cent.	,,	4,383
50 ,,	,,	115
Ink, Printing	,,	217
Leather, Calf	,,	5
,, Sole	,,	423
Oranges, Fresh	,,	157
Paper, Unclassed	,,	1,831
Shrimps, Dried	,,	3
Sulphur, Black	,,	295
Twine	,,	12
Tobacco, Leaf	,,	1,849
Enamelledware	Doz.	637
Oil, Lubricating, Mineral	Galls.	558
Rum	,,	11,129
Rubber Shoes	Pairs.	600
Lemons	Mille	5
Cigarettes	,,	1,020
Treasure:		
Silver Bars	Hk. Tls.	676,588

WEST KADER, March 9.

from U. S. A.

Flour, Wheat	Pls.	184
Timber:		
Softwood, Merchantable	Sup. ft.	29,902
Softwood, Ordinary Sawn	,,	1,748,689

IKOMA MARU, March 10.

from U. S. A.

Tinned Plates, Plain	Pls.	2,085

BEARPORT, March 11

From U. S. A.

Motor-cars	Pcs	4
Oil, Kerosene, in Cases	Galls.	15,075
,, Lubricating Mineral	,,	31,503

PRESIDENT LINCOLN

from U. S. A.

March 12.

Fire-clay	Pls.	144

TAIYO MARU, March 12.

from U. S. A.

Copper Ingots	Pls.	420
Tobacco, Leaf	,,	5,770

PRESIDENT LINCOLN,

March 12.

To San Francisco.

Carpets	Hk. Tls.	1,613

To Seattle.

Tea, Leaf, Unfired, other Ports	Pls.	12
Brassware	,,	14
Oil, Wood	,,	14,232
Walnuts, Shelled	,,	329
Fans, Wheat Straw	Pcs.	33,120
Carpets	Hk. Tls.	529

To St. Joseph.

Carpets	Hk. Tls.	896

To Philadelphia.

Skins, Goat, Untanned	Pls.	113

To Shamokin.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 50	Pls.	49.62

To New Bedford.

Silk Waste:		
Other Ports .. Bls. 4	Pls.	12.01

To St. Louis.

Nutgalls	Pls.	840

To Wilmington.

Skins, Goat, Untanned	,,	537

To Boston.

Silk Cocoon Strippings:		
Shanghai .... Bls. 10	,,	31.05
Skins, Goat, Untanned	,,	205

To Buffalo.

Intestines, Goats,' Salted	,,	43
,, Pigs', ,,	,,	42
,, Sheep's ,,	,,	130

To Chicago.

Silk, Raw, Filature:		
Wild, other Ports Bls. 50	Pls.	50.92

To Washington.

Carpets	Hk. Tls.	557

To New York.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 10	Pls.	10 04
Silk Pongees, Honan	,,	4 25
Antimony Regulus	,,	10,000
Brassware	,,	4
Cotton Waste	,,	202
Egg Albumen, Dried	,,	168
Feathers, Goose	,,	51
Hair, Human	,,	30
Intestines, Pigs', Salted	,,	59
,, Sheep, ,,	,,	186
Oil, Wood	,,	300
Rhubarb	,,	25
Skins, Goat, Untanned	,,	252
Woodware	,,	6
Hats, Hemp	Pcs.	420
Skins, Dog, Tanned	,,	800
,, Lamb Untanned	,,	1,968
,, Leopard,	,,	452
,, Marmot	,,	1,891
,, Rabbit	,,	81,352
,, Raccoon	,,	4,214
,, Sheep	,,	3,000
,, Weasel, with Tails	,,	5,000
Carpets	Hk. Tls.	4,662

PARIS MARU, March 14.

From U. S. A.

Herrings, Salt	Pls.	3,349
Timber:		
Softwood, Clear	Sup. ft.	62,189
Softwood, Merchantable	,,	575,346
Softwood, Ordinary, Sawn	,,	119,713

From Canada.

Herrings, Salt	Pls.	14,700

EELBECK, March 14.

from U. S. A.

Leadfoil and Tinfoil	Pls.	410
Cotton, Raw Bls. 2,020	,,	7,122
Grease	,,	125
Wax, Paraffin	,,	1,505
Oil, Kerosene, in Cases	Galls.	90,000
,, ,, ,, bulk	,,	27,426
,, Lubricating,	,,	59.956

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Whatever movements in raw cotton there may have been during the past week such cannot be designated as having been the results of any great activity in our market outside of the operations which took place in the local Cotton Exchanges where the price fluctuations may be recorded as having shown a decline on the whole of about Tael 1.00 per picul lower than that registered during the previous period. Spinners in general show no eagerness as yet to take in supplies to any great extent at present rates unless there be a material improvement in the prospects for the disposition of their yarn output at more remunerative figures and in the event of cessation in the country being realized soon it would naturally bring about a greater outflow of yarn to the interior which in turn would serve as an impetus to greater activity in the local textile industries causing a more pressing demand for the local stable to evolve. If the receipts from the interior marts are normal prices will probably remain in a steady position, on the other hand should any attempt be made at withholding supplies or any appreciations be registered in the values of Mid-Americans and Indians, we may experience firmer markets.

Yarn:—We have no change to report in the position of the local yarn market, in that prices ruling are nearly the same as last week. New business for export has been booked some 10000 to 11000 bales in all counts at ruling prices. Regarding the future course of the market, a conservative policy appears to be desirable for the immediate future, and the situation continues to hinge on the action of the local professional operators, and in our opinion, we believe that purchases on breaks are likely to lead to profitable results.

Liverpool:—

American-Middling	7.79
American-Middling last reported	7.82

Tone of the market, *Steady*.

New York Market:—

Price of Mid-Amer.	14.40	Spot.
	14.05	May.
	14.27	July.
	14.51	Oct.
	14.68	Dec.
	14.73	Jan.

Tone of the market:—*Steady*.

Indian Market:—

Fully Good Bengal, March	260
Fine Oomra, March	274
Fully Good Broach, A./M.	281

Tone of the market—*Steady*.

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	31.00
Shanghai, Spot	30.25
M. Ginned Spot	31.75
Shensi, No. 1 Spot	31.50
Ningpo, Spot, Ex wharf	30.20

Tone of the market—*Easy*.

(*Continued from page 192*)

The Naval Squadron at Tsingtao which has been loyal to Chang Tso-ling has been 'disarmed' and occupied by military forces—Madame Sun Yat-sen, Minister of Health of the Nationalist Government has arrived at Shanghai—Chiang Kai-shek proceeds to Nanking to take charge of Northern expedition—'Grand Anti-British Alliance' at Shanghai votes to start another general strike in case Eugene Chen is unable to negotiate a proper settlement regarding the Nanking incidents and the Shanghai situation—Eugene Chen and Sun Fo start to Shanghai but return to Nanking, reason unknown—Nationalist army suffers reverse at Yangchow on Grand canal northward of Nanking, causing rapid sending of reinforcements northward from Shanghai—Chow Feng-chi transfers troops to Shanghai to replace Chiang Kai-shek's troops which were transferred to the Nanking front—Soviet Charge d'Affairs at Peking calls on Wellington Koo about the raid on the Soviet Embassy and demanded the immediate release of the Russians who were arrested —*Toho* report from Tsinan states that Northern troops have defeated the Cantonese near Pengpu—American consul at Kalgan urges all Americans in Chahar and Suiyuan to evacuate—British also evacuate from Kalgan—Japan's trade with China for March amounted to Yen 34.000 000 for exports and Yen 24,670,000 for imports –Wellington Koo reports to Cabinet meeting in Peking that it was contrary to international law for the Soviet Embassy in Peking to harbor communists and that the Embassy's action constituted a violation of the Sino-Russian Agreement—Five Japanese in Hankow who were held prisoners by Chinese labor bodies were released—British transfer 30 Indian troops and 3 trench mortars to Shameen from Hongkong—Gen. Chu Yu-puh, tupan of Chihli, following the execution of Admiral-General Pih Shou-tseng proceeded to Tsingtao to take charge of Pih's troops.

April 10—Chen Chieh-ming, representing the Central Kuomintang Party arrives in Nanking and is warmly greeted—Gen. Tang Shen-tse proceeds from Hsiaokang to take control of Nationalist armies on Peking-Hankow line-Kuomintang leaders at Shanghai including Chiang Kai-shek, T. V. Soong, Wang Ching-wei, Bei Chung-hsi and Mrs. Sun Yat-sen hold conference in Shanghai on party program and decide not to obey Hankow mandates considered detrimental to the good of the party—Prominent officials and ex–officials in Peking and Tientsin including Tuan Chi-jui, Tsao Kun, Wang I-tang, Yao Chen, all go to Dairen to avoid the Nationalist forces-Owing to demands of seaman's union, it was decided to close the Chinese Customs House at Amoy-Diplomatic Body makes further explanation regarding the raid on the Soviet Embassy at Peking by Chang Tso-ling.

April 11—Kuo Wen Agency report on Hankow incident respecting the Japanese incident state that it started when two Japanese marines had an altercation with a ricksha coolie and were surrounded by a crowd, which 'caused the Japanese to land their whole body of Marines and display rifles and machine guns to the Chinese people. When the crowd was unmoved, the marines began to shoot causing large numbers of casualties and the crowd didn't begin to disperse until the armed laborers began to arrive to restore order'—Nationalist Government appoints Hsu Pai-hau to negotiate with the Japanese for a withdrawal of the Marines; Japanese however, refuse to withdraw, and Chinese retaliate by surrounding the Concession and preventing all business intercourse—British troops and Municipal police at Shanghai suddenly raid premises of Great China University located outside of International Settlement; Chinese reports stating that six students and two servants being wounded and Chinese Nationalist flag torn down from buildings; Chinese faculty and students appeal to Nationalist Government for protection and lodge strong protest with the British—Chiang Kai-shek issues proclamation stating that all future financial transactions of Nationalist Government must be through offices of T. V. Soong, Nationalist Minister of Finance whose office is located at the Joint Kiangsu-Chekiang Finance Bureau at North Gate on Chinese territory.

April 11-12—The departure of Gen. Yu Chin-shan and 2,000 Kirin troops from Mukden for Peking causes apprehension in Manchurian Capital and British consul Wilkinson appeals to Japanese Consul Yoshida for protection by Japanese garrison on behalf of foreign residents—U. S. Consul at Canton advises Americans to evacuate Kwangtung province—Marshal Tuan Chi-jui, former President of China goes to Dairen for protection—*Toho* report states that the Diplomatic Body has granted Chang Tso-ling the right to search the Diplomatic Quarter for political agitators—*Toho* report that while Great Britain and America desire to take strong coercive measures in respect to the Nanking incidents, that Japan is still standing for a peaceful policy and recommending 'moderate' means of settling the case—Northern troops under Sun Chuan-fang effect a come-back at Yangchow and surround division of Cantonese forcing a retirement back across the Yangtsze at Chinkiang—I,300 Japanese refugees arrive at Shanghai from Hankow and are trans-shipped immediately to Japan; Japanese also evacuating all Upper Yangtsze cities—Japanese decide to strengthen garrisons in Peking and Tientsin—British destroyer Veteran fires on and demolishes Chinese fort at Kueishang located about fifteen miles down river from Chinkiang, the British naval report stating that the Fort fired first—Wang Jung-pao Chinese Minister to Tokyo referring to looting of Soviet Embassy in Peking by Chang Tso-ling, states that while Chang's action was regrettable, that the Soviet action in harboring Kuomintangists and Communists was worse—Koo Cabinet resigns again—British and Americans in Shantung evacuate—Lo Wei-hsiung, Cantonese commander at Hangchow issues orders prohibiting troops from occupying foreign premises—*Toho* states that five Powers have presented identic notes to Eugene Chen and Chiang Kai-shek on Nanking incidents, which protest the Chinese action, demand punishment of those responsible, an apology and compensation for damages and guarantees for future—Northerners claim further victories in fighting in Anhwei and northern Kiangsu and claim capture of 2,000 prisoners—Anti-Japanese sentiment increases at Kiukiang as result of Hankow incidents—Only 800 Japanese remain in Hankow and are being protected by 7 destroyers.

April 12—Chang Tso-ling states intentions sending Li Tah-chao, who captured in Soviet Embassy raid to military court for trial—*Kuo Wen* states that Peking Cabinet definitely resigning—Gen. Chu Yu-puh returns to Tsinan and reports to Chang Chung-chang, following which he immediately departs for the battle front at Hsuchowfu—Chiang Kai-shek welcomed by large crowds upon arrival at Nanking—Generals Chang Tso-ping and Li Min-tsung representing Feng Yu-hsiang arrive at Nanking to confer with Chiang Kai-shek—British, Americans and Japanese continue to evacuate Peking for Tientsin—Heavy fighting develops at Linghuei on Tientsin-Pukow Railway where Northerners claim advantage—Chuh Hsiang-peng appointed defense commissioner at Tsingtao following execution of Admiral-General Pih Shou-tseng—Joint meeting of public bodies in Hankow pass resolutions demanding withdrawal of Japanese Marines; return of Concession; punishment of those guilty of firing on Chinese; indemnification for Chinese killed and wounded; Japanese Government apology for firings; Japanese shall not close any factories in Hankow; Japan must give guarantees against future firings on Chinese —Wang Ching-wei calls extraordinary conference all factions Kuomintangists in Nanking for April 15 and states that preparatory meeting will be held in Nanking on 13th—Serious anti-Japanese demonstrations by laborers in Soochow forcing 44 Japanese including 10 women to seek refuge in Japanese consulate and two Japanese factories; one man smuggled out comes to Shanghai and reports to Consul Yada who calls on Bureau of Foreign Affairs and asks Nationalists to dispatch force to release Japanese—Soviet sends Note to China announcing withdrawal of Embassy from Peking, but Nationalists do not expect further action by Soviet—*Toho* report from Moscow regarding Chang Tso-ling's looting states that Russians believe that Chang's action was inspired by the British, but that the Moscow Government while considerably embarassed by trouble over Chinese-Eastern Railway, the arrest of Madame Borodin and Russian attaches and other matters will not send troops against Chang Tso-ling, but will try to settle the questions by diplomatic means.

April 12-13—Toho Report states Southerners defeated at Yangchow retreat across Yangtsze River to Chinkiang but still holding own; later report states railway cut south of Chinkiang but Chinese deny—Japan-Manchuria through railway conference opens in Tokyo—Premier Wakatsuki calls on Prince Siaonji regarding China situation.

TRANSLATIONS FROM MODERN CHINESE

By Friedrick Otte

A selection of modern document translated into English ranging from correspondence, mandate, trade papers, legislative rules, to essays from newspapers and periodicals. A valuable manual to foreigners studying Chinese.

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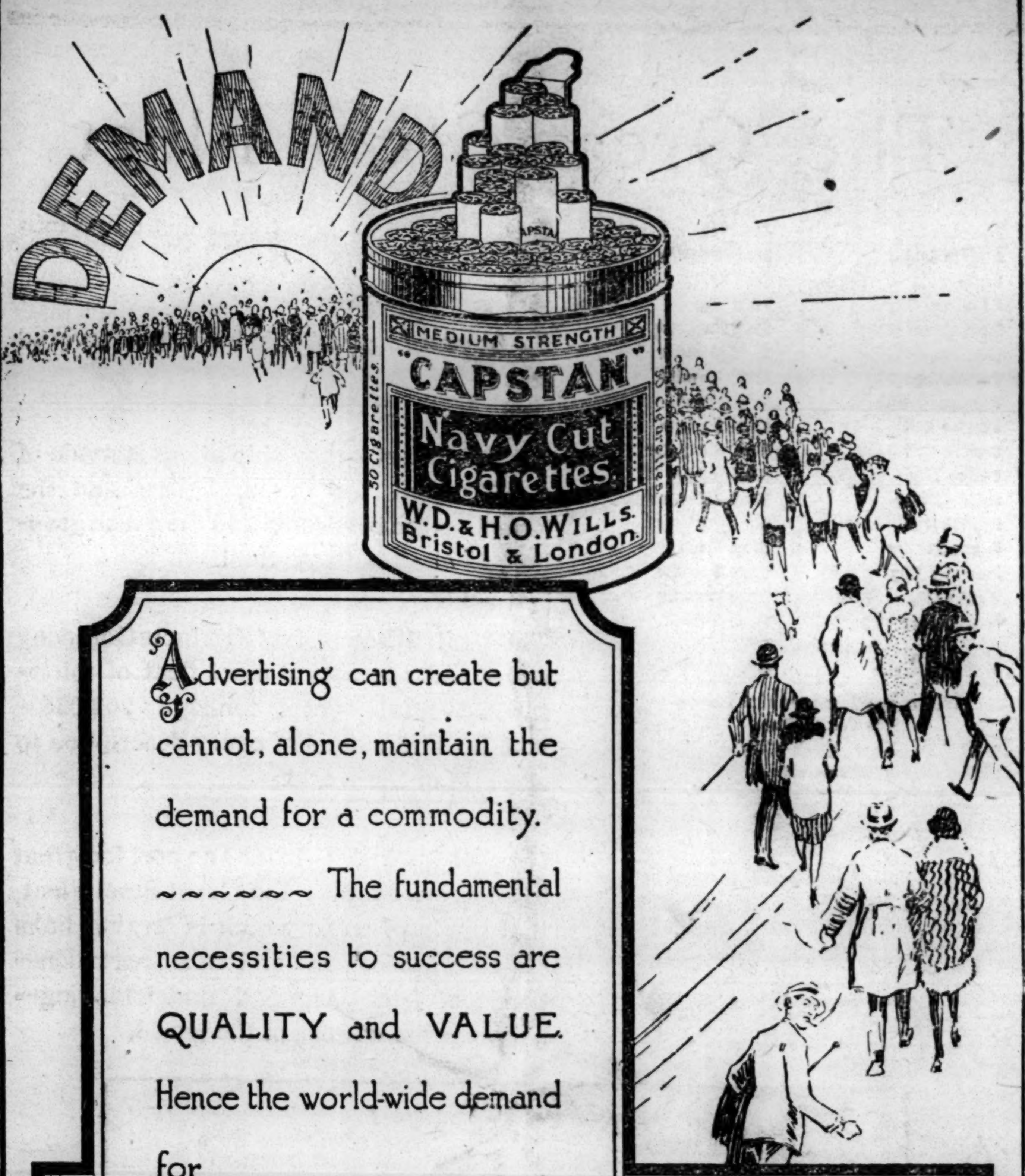
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